



INDIA GELATINE & CHEMICALS LTD.

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INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman

NALIN KARSONDAS VISSANJI

Managing Director

VIREN CHANDRASINH MIRANI

Directors

N.C. MIRANI

M.D. VORA

K.C. DALAL

S.N. PITTIE

Company Secretary

PREETAL MEPANI

Auditors

MAHENDRA N. SHAH & CO.

Chartered Accountants

E-3, Capital Commercial Centre,

Ashram Road, Ahmedabad - 380 009.

E-mail : mnshahco@gmail.com

Bankers

Union Bank of India, Mumbai

HDFC Bank Ltd., Mumbai

Citibank, N. A., Mumbai

Head Office

77 / 78, Mittal Chambers,

228, Nariman Point,

Mumbai - 400 021.

Factory

Plot No.1A, GIDC Industrial Estate,

National Highway No.8,

Vapi - 396 195 (Gujarat)

Registered Office

703 / 704, 'Shilp', 7th Floor,

Near Municipal Market,

Sheth C.G. Road, Navrangpura,

Ahmedabad - 380 009

Tel : (079) 26469514

Registrar & ShareTransfer Agent

Sharepro Services (India) Pvt. Ltd.

13AB Samhita Warehouseing Complex,

Second Floor,

Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road,

Andheri (East),

Mumbai - 400 072

Tel : (022) 67720300 Fax : (022) 28591568



FINANCIAL HIGHLIGHTS

		₹ lacs				
Sr.No.		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
1	Shareholders' Funds	8448	9073	9528	9587	10021
2	Loan Funds	296	150	91	30	22
3	Debt Equity Ratio	1 : 0.04	1 : 0.02	1 : 0.01	1 : 0.003	1 : 0.002
4	Sales & Other Income	6178	8225	8441	8912	10690
5	Profits (Subject to Depreciation & Tax)	614	1687	1377	847	1415
6	Net Profit Subject to Tax	226	1278	962	423	968
7	Profit after Tax	199	845	674	277	707
8	Book Value of Share ₹	89.87	96.52	101.36	101.99	106.61
9	Dividend %	7	20	20	20	25



INDIA GELATINE & CHEMICALS LTD.

NOTICE

NOTICE be and is hereby given that the Fortieth Annual General Meeting of the Members of INDIA GELATINE & CHEMICALS LTD. will be held at GICEA, Nirman Bhavan (Gajjar Hall), Near Law Garden, Ahmedabad – 380 006 on Friday, the 28th of September, 2012 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date together with the Report of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. S. N. Pittie, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. D. Vora, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Auditors for the year 2012-2013 and to fix their remuneration.

By Order of the Board of Directors

Place : Ahmedabad
Date : 02.08.2012

Preetal Mevani
(Company Secretary)

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and that such proxy need not be a member. Proxies in order to be valid must be received by the Company, not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20.09.2012 to 28.09.2012. (Both days inclusive)
3. Dividend if declared / approved will be paid to the shareholders holding shares of the Company within 30 days from the date of declaration in terms of Section 205A of the Companies Act, 1956.
4. Members are informed that the company's Equity Shares are compulsorily traded in Demat form for all investors, effective from 1st April, 2002. Members may open Depository Account in their names with a Depository Participant to dematerialize their holdings.
5. (a) Pursuant to Section 205A of the Companies Act, 1956, all Unclaimed Dividend up to financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government, which can be claimed by the Shareholders by submitting application to the Registrar of Companies, Ahmedabad.
(b) Pursuant to Section 205A(5) of the Companies Act, 1956 as amended, dividend for the financial years ended 31st March of 1996 to 2004, which remained unpaid or unclaimed for the period of 7 (seven) years, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Such dividend stands forfeited by the Government. As per the rules, dividend for the year ended 31st March, 2005, if remain unclaimed or unpaid up to 14th October, 2012 will be transferred to IEPF.
Members who have not yet encashed the dividend warrant(s) for the Financial Year 2004-2005 and thereafter are requested to make their claims to the Company.
(c) Pursuant to the provisions of Section 205C of the Companies Act, 1956, the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investors Education and Protection Fund (Fund) set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the company immediately as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund.
6. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
7. (a) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General



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meeting. Members are requested to bring their copies of the Annual Report at the meeting.

- (b) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
8. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agents.
9. Members are requested to note that pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, details of the Non-Executive Directors proposed to be re-appointed is given below and forms part of the Notice :

Details of Directors seeking reappointment at the forthcoming Annual General Meeting :

(Disclosure pursuant to Clause 49 of the Listing Agreement)

	Name	Mr. S. N. Pittie	Mr. M. D. Vora
1	Date of Birth	18.10.1952	24.05.1931
2	Date of Appointment	19.07.2006	22.01.1975
3	Qualification	B.A. (Hons), DERE, MBA (Finance)	M.A., LLB, DBM
4	Expertise in Specific Functional Area	Industrialist with rich business experience in general	Industrialist with rich business experience in general
5	Directorship in other Public Ltd. Companies	2	1
6	Membership of committees in other Public Ltd. Companies	—	—
7	Share Holding of Directors seeking re-appointment as on 31.03.2012	—	1736 Equity Shares



INDIA GELATINE & CHEMICALS LTD.

DIRECTORS' REPORT

The Directors of your Company have pleasure to present their 40th Annual Report with the Audited Statements of Accounts for the year ended 31st March, 2012.

	2011-12 ₹ Lacs	2010-2011 ₹ Lacs
FINANCIAL RESULTS		
Total Revenue	106,89.58	89,12.29
Profit for the year after deducting all the charges and expenses but before Interest, depreciation and taxation (EBIDTA)	14,33.41	8,63.78
FROM WHICH ARE DEDUCTED		
Interest & Financial Charges	18.77	16.44
Depreciation	4,47.04	4,24.40
Provision for Taxation		
Current	2,49.00	1,62.00
Deferred	11.38	(44.52)
Short Provision for Earlier Years	—	28.28
	7,26.19	5,86.60
NET PROFIT FOR THE YEAR	7,07.22	2,77.18
TO WHICH IS ADDED :		
Surplus Brought Forward	3,20.95	3,62.27
BALANCE AVAILABLE FOR APPROPRIATION	10,28.17	6,39.45
APPROPRIATION FOR		
Proposed Dividend	2,35.00	1,88.00
Corporate Dividend Tax	38.12	30.50
General Reserve	4,00.00	1,00.00
Surplus Carried to next year's account	3,55.05	3,20.95
	10,28.17	6,39.45

Operations :

Your company further sharpened its focus on areas where sales of its products have high growth potential and thereby increasing realization of its final products which was imperative in order to offset the major increases in cost of raw materials and energy, besides others. The turnover of the company increased by about 18.90% over the previous year in spite of all the challenging conditions prevailing globally as well as domestically.

Gelatine sales by volume were marginally lower as compared to the previous year by 3% however due to higher realisations in the export markets your company achieved higher turnover on Gelatine sales to the extent of about 15%. Ossein sales has increased by 37% due to increased demand from existing and new customers.

Gelatine demand in the domestic market has been showing further increase and your company is continuing with its efforts in the expansion of the customer base. DCP sales remain strong as sales of poultry meat are finding a greater preference amongst consumers as compared to red meat.

With the pollution control laws getting stricter, your company has had to invest into newer technologies as well as systems to cope up with the challenges of waste water and solids disposal. Steps towards making our Effluent Treatment Plant as a revenue source are being seriously considered and implemented.

Energy costs form a large component of cost of our company's products and with the Natural Gas prices moving up by almost 160% in the last two years it was found that the Natural Gas based Power Plant installed in 2007 was unviable and thereby the lease was terminated during the year. By resorting to alternate sources it is likely to lower the cost of production of our company's products.

Our company is making all round efforts to combat the volatility on the raw material front, at the same time maintaining a close watch on the sales of finished products which will allow a healthy growth for the company.

Dividend :

Your directors recommend dividend @ 25% i.e. ₹ 2.50/- per share (previous year 20% i.e. ₹ 2.00 per share) on Equity Shares of ₹ 10/- each of the company for the year ended 31st March, 2012. The proposed dividend (including Corporate Dividend Tax) will absorb ₹ 2,73.12 Lacs.

Taxation :

The Company has made a provision of ₹ 2,49 Lacs towards current year's Income Tax & Wealth Tax.



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Finance :

The Company continues to get requisite assistance and co-operation from its bankers as and when needed.

Industrial Relations :

Industrial relations continued to remain cordial and satisfactory.

Directors :

Mr. M. D. Vora and Mr. S. N. Pittie retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement :

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors adhere to the "Directors' Responsibility Statement" and confirm as under :

- I) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

Auditors :

Messrs Mahendra N. Shah & Co., Firm Registration No: 105775W, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

They have furnished a certificate to the effect that the reappointment if made will be in accordance with Section 224 (1B) of the Companies Act, 1956.

Insurance :

All the properties of the Company including building, plant and machinery and stocks have been adequately covered under insurance.

Particulars of Employees :

The information under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report is annexed hereto.

Management Discussion and Analysis Report :

Report on Management Discussion and Analysis is annexed herewith.

Corporate Governance :

A report on Corporate Governance alongwith the certificate from the auditors is annexed.

Particulars of Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo :

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, forming part of the Directors' Report is annexed hereto.

Acknowledgment :

The Board of Directors appreciate the devoted services of the workers, staff and executives who have contributed to the efficient management of the affairs of the Company.

Your Directors place on record their gratitude to the State and Central Government, the company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 01.08.2012

Viren C. Mirani
Managing Director



INDIA GELATINE & CHEMICALS LTD.

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (2A) of Companies Act, 1956 in respect of the Employees who draw remuneration of ₹ 60 lacs or more during the year or ₹ 5 lacs or more per month, if employed for part of the year

Sr. No.	Name	Designation	Remunerations ₹ lacs	Qualification	Age Years	Experience years	Date of Commencement of employment	Last Employment and Designation
1	Mr.Viren C. Mirani	Managing Director	1,11. 98	B.Com	47	27	21.07.2000	Sr. Executive in India Gelatine & Chemicals Ltd.

Note :

1. Nature of Employment : The above employment is contractual.
2. The Remuneration also includes retirement benefits like contribution to Provident Fund, Gratuity, Unavailed Leave etc. payable to Managing Director.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 01.08.2012

Viren C. Mirani
Managing Director



ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules - 1988 in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

(A) CONSERVATION OF ENERGY

a) Measures taken for Conservation of Energy.

- i) Water recycling is being implemented up to the maximum possible levels.
- ii) Larger capacity, energy efficient DCP dryer installed, that will result in overall reduction in operating hours as well as gas consumption.
- iii) New raw material preparation system is being installed for improvement in quality.
- iv) New Heat Exchangers have been installed for improvement in process control parameters that will result in better quality and yield.
- v) Continuing with phased replacement of 400 Watt Bulbs with 85 Watt CFL Bulbs.
- vi) VFDs installed for energy saving and reduced maintenance.
- vii) UPS installed for reduction in downtime of critical process.
- viii) Upgradation of ETP Plant by using energy efficient diffused aerators.
- ix) Energy efficient Coarse Bubble system installed in equalisation tank for effective equalization.
- x) Installation of Digester has led to improvement in outlet parameters of our effluent and in-house generation of Biogas.
- xi) Scrubber being installed for improving biogas quality for captive use.
- xii) Sludge concentration system installed in ETP for effective removal of solids from the effluent.

b) Additional investments and proposals.

- i) Advanced Control System would be deployed for Plant Automation.
- ii) Augmentation of Gelatine Manufacturing Capacity by addition of new equipment.
- iii) Revamp of existing equipment to match augmented production capacity of Gelatine.
- iv) Old pipes replaced with new cost efficient and durable pipes of different MOC.
- v) Automatic Power Factor Control Systems to be installed for improvement in quality of intermediate and final product.
- vi) New air agitation system to be installed for improvement in quality of intermediate and final product.
- vii) Ultrafiltration system to replace traditional high energy consuming steam operated evaporator.
- viii) Use of membrane technology for recovery of potable water from our effluent.
- ix) Augmentation of ETP plant capacity to match our increased Gelatine production capacity.

c) Impact of measures in the above.

On implementation of the above, the Company expects better yield and substantial benefit in energy / water consumption.



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**d) Total energy consumption and energy consumption per unit of production
FORM – A**

I	Power & Fuel Consumption			
	1	Electricity	2011-12	2010-11
	a)	Purchased		
		Unit (KWH)	5234575	1351010
		Total Amount (₹ lacs)	3,67.07	85.43
		Rate / Unit (₹)	7.01	6.32
	b)	Own Generation		
	1)	Through Diesel Generator	N.A.	N.A.
		Units (KWH)	—	—
		Unit per Ltr. Of Diesel	—	—
		Cost / Unit (₹)	—	—
	2)	Through FO Base Generator		
		Units (KWH)	N.A.	45780
		Unit per Ltr. of F.O.	N.A.	2.77
		Cost / Unit (₹)	N.A.	8.22
	3)	Through Steam Turbine Generator	N.A.	—
	4)	Through Gas Base Generator		
		Units (KWH)	7950100	9644800
		Unit per sm ³ of Gas	3.50	3.51
		Cost / Unit (₹)	7.56	6.28
II	a)	Furnace Oil / LSHS		
		Quantity (Kgs.)	—	15844
		Total Amount (₹ lacs)	—	3.73
		Average Rate per Kgs.(₹)	—	23.55
	b)	Natural Gas (CNG)/sm ³		
		Quantity (sm ³ .)	6400444	7168895
		Total Amount (₹ lacs)	15,69.86	12,74.53
		Average Rate per sm ³ . (₹)	24.52	17.77

e) Consumption per unit of production.

Product-Unit	Standards	2011-2012		2010-2011	
		Ossein	Gelatine	Ossein	Gelatine
Electricity	Unit	1398.69	3940.69	1412.48	3140.45
Furnace Oil	Kgs.	0.00	—	0.00	—
Natural Gas (CNG)	SM ³	426.97	1856.20	478.77	2258.21



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(B) TECHNOLOGY ABSORPTION

FORM - B

Research and Development

- i. For quality improvement of the main products viz. Ossein and Gelatine, Research and Development is carried out by the Company.
- ii. The quality of the products manufactured by the company has been accepted by our buyers. There is no rejection in the goods exported. However, there is ample scope for further improvement in the quality.
- iii. Research is being done to establish how our waste can be used as raw material input for other industries.
- iv. Installation of an on-line TOC analyzer to display and record critical effluent parameters.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and outgo is contained in Note No.15,16 &17 of Notes to the Financial Statements.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 01.08.2012

Viren C. Mirani
Managing Director



MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL:

Overall Gelatine market globally has been showing a growth in demand, which is mainly attributed to the recommendations announced by OIE (World Organisation for Animal Health) towards the safety of Bovine Bone Gelatine for food applications regardless of the raw material used subject to the Category of the country. India is currently in category 1 which is the best category.

Some worries on the availability of raw material still remain especially with the South American region trying to deal with shortages.

EXPORT:

The company has been focusing on increasing the export of its products given that the quality of the company's products is well accepted and that the realisations are better than the domestic market.

In the year in review, exports of Ossein have registered an increase of almost 100% in volume terms and whereas the export volume of Gelatine have increased by about 21% over the previous year. Sales realisations on the export of Gelatine also witnessed a growth of about 20% over the previous year. The favourable exchange rates also contributed in achieving this higher realisation.

DOMESTIC:

The market in India for Gelatine is growing at a pace which has not been seen in earlier times. The company is closely studying the situation and creating strategies to focus on some high growth areas in the domestic market. During the year sales volumes in the domestic area were lower for Gelatine, however, the realisations witnessed a growth of 10% over the same period in the previous year.

Ossein sales domestically also registered a lower volume over the previous year, however, there was a significant increase in sales realisations to the tune of 17% on a year on year basis.

The DCP market in India remains strong as the poultry feed sector continues to grow at a pace of 10-12% p.a. (Economic Times report on 24th of June 2012) and which is likely to maintain for the next few years as per the report barring any unforeseen circumstances.

THREATS:

Availability of raw materials at competitive prices as well as poor quality of raw materials namely crushed bones will remain as major challenges to overcome in the near term for the Gelatine industry.

Although the recommendations from OIE recommending the safety of Bovine Bone Gelatine for food consumption are now in place it still remains to be observed whether countries are able to amend their regulations allowing for the free trade of Gelatine.

The volatile situation prevailing in the Eurozone as well as the recessionary conditions in the USA could lead to a reduced off take from these regions and the impact of which could be significant considering the EU and the USA are the largest consuming markets of Gelatine.

OPPORTUNITIES:

In order to take advantage of economies of scale and thereby reducing unit cost of production the company has decided to undertake the next phase of expansion in DCP and Gelatine manufacturing capacity, which is likely to be commissioned during the third quarter of financial year 2012-13.

In addition, the management will assess the existing strategic relationships in terms of their long term relevance and is committed to explore any new business and alliance opportunities which may arise in the current market context and in the best interest of the company.

This will also allow greater competitiveness for your company's products in diversified markets around the world.

OUTLOOK:

With the amendments in the safety of Bovine Bone Gelatines being projected by important organisations in the world the demand for Gelatine should improve in the coming years. However, there would remain pressure on raw material prices and its availability. Prices for Gelatine are likely to remain firm given these conditions in the short to medium term.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has proper and adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audit, review by management and



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documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets. The management is committed to a regular review of this aspect.

FINANCIAL AND OPERATIONAL PERFORMANCE:

Turnover increased by 18.90% to ₹1,00.10 Crores during the year ended 31st March 2012 as compared to ₹ 84.19 Crores during the previous year.

EBIDTA (Earning before Interest, Depreciation, Taxes and Extra Ordinary Item) for the Current year is ₹ 14.33 Crores as against ₹ 8.64 Crores in the previous year.

The company declared dividend @ 25% as against @ 20% in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company recognises the importance and contribution of its Human Resources for its growth and development and is committed to the development of its people. The Company has implemented various methods and practices for Human Resources Development.

The Company has 77 Employees on its roll as on 31st March, 2012.

CAUTIONARY STATEMENTS:

Statements in the Management's Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be "forward looking predictions" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc., whether expressed or implied. Factors which would make a significant difference to the Company's operations include achievement of better quality and good market price in domestic and overseas market, changes in Government regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.

**CORPORATE GOVERNANCE**

In pursuance of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company has complied with the requirements of Corporate Governance.

Good Corporate Governance makes excellent business sense. It augments superior Corporate Performance. It is often the distinguishing factor between companies that progress rapidly and companies that stagnate. Good Corporate Governance is continuous process and is achieved through an optimum mix of regulatory compliance, disclosures and practices, transparent and fair conduct that enhances the trust of various interest groups like shareholders, employees, suppliers, creditors, customers and society at large.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

For IGCL, Corporate Governance is an important corner stone which creates shareholders' value on a sustainable basis. As stated in the past, your company reiterates its commitment to the concept of Trusteeship. The creed of Trusteeship, the backbone of good Corporate Governance is pursued by your company with consistent and effective adherence to the philosophy of transparency, adequate disclosure, fairness to all and independent monitoring and supervision in the conduct of its business operation.

2. BOARD OF DIRECTORS :**A. Composition of the Board :**

It is well recognized that there should be an optimum combination of Executive and Non Executive Directors. IGCL's Board meets this requirement as it is consisting of 4 Independent Directors, out of the total 6 directors. The Chairman of the Company is also an Independent Director.

Sr. No.	Name of the Directors	Category	Number of Directorship in Companies	Number of Chairmanship / membership in Board Committees
1.	Mr. Nalin K. Vissanji	Chairman/Non Exe. Dir.	1	2
2.	Mr. M. D. Vora	Non Exe. Dir.	2	2
3.	Mr. N. C. Mirani	Non Exe. Dir.	3	2
4.	Mr. V. C. Mirani	Exe. Director	1	1
5.	Mr. K. C. Dalal	Non Exe. Dir.	1	1
6.	Mr. S. N. Pittie	Non Exe. Dir.	3	2

B. Details of numbers, dates and attendance of the Board Meetings :

Sr. No.	Name of the Directors	Number of Board meetings held while holding the office	Number of Board meetings attended while holding the office	Attendance at last AGM
1.	Mr. Nalin K. Vissanji	5	2	NO
2.	Mr. M. D. Vora	5	5	YES
3.	Mr. N. C. Mirani	5	4	NO
4.	Mr. V. C. Mirani	5	5	YES
5.	Mr. K. C. Dalal	5	5	YES
6.	Mr. S. N. Pittie	5	2	NO

Total 5 Board meetings were held in the year 2011-2012.

The dates on which the said meetings were held are as follows :

- | | |
|----------------|----------------|
| (1) 06.05.2011 | (4) 14.11.2011 |
| (2) 25.07.2011 | (5) 03.02.2012 |
| (3) 28.09.2011 | |



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3. AUDIT COMMITTEE :

A. Terms of Reference :

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half yearly and Annual Financial Statements before they are submitted to the Board of Directors.

The Committee also meets the operating Management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee meetings are circulated to the Members of the Board, discussed and taken note of.

B. Composition :

The Audit Committee of the Board of Directors was formed in 2001 and as on today it comprises of 4 Non-Executive Directors. The Committee met 4 times during the year and the attendance of Members at the Meeting was as follows :

	Name of Member	Status	No. of Meetings Attended
1.	Mr. K. C. Dalal	Chairman	4
2.	Mr. M. D. Vora	Member	4
3.	Mr. N. C. Mirani	Member	4
4.	Mr. S. N. Pittie	Member	2

The Company Secretary is the Secretary of the Committee.

Statutory Auditors and Internal Auditors were invited and they attended almost all the meetings.

4. REMUNERATION COMMITTEE :

A. Composition :

Remuneration committee consists of :

- Mr. Nalin K. Vissanji - Chairman
- Mr. M. D. Vora - Member
- Mr. N. C. Mirani - Member

B. Remuneration Policy :

Remuneration of employees largely consists of basic remuneration and perquisites.

The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and reward merit.

C. Details of Directors' remuneration paid for the year ended 31.03.2012

A. Managing Director : (₹ Lacs)

Name	Salary	Comm.	Perks	Retirement Benefits	Total
Mr. V. C. Mirani Managing Director	60.00	Nil	9.09	42.89	1,11.98

- The Company has received Central Government approval on 08.02.2012 for remuneration, for the period of 3 years, from 01.04.2011 to 31.03.2014
- Notice period for termination of appointment of Managing Director is six months on either side.
- No severance pay is payable on termination of appointment.



INDIA GELATINE & CHEMICALS LTD.

B. Others :

1. All Indian Non Executive Directors are paid sitting fees of ₹ 5,000/- for attending Board and Audit Committee meetings.
2. Professional Fees of ₹ 60,665/- has been paid to M/s. C. C. Dalal & Co., a firm in which Mr. K. C. Dalal, a Non Executive Director, is a partner.

5. SHAREHOLDERS' GRIEVANCE /SHARE TRANSFER COMMITTEE :

A. Terms of reference :

The committee deals with various matters relating to :

- Transfer / Transmission / Transposition of Shares.
- Consolidation / splitting of Folios.
- Issue of Share Certificates for Lost, Subdivided, Consolidated, Rematerialized, Defaced etc.
- Investors grievances and redressed mechanism and recommend measures to improve the level of investor services.

B. Composition :

The Shareholders' Grievance Committee comprises of the Chairman and two Directors.

During the year, the Committee held 12 meetings and the attendance of Members was as follows :

	Name of Member	Status	No. of meetings attended
1.	Mr. Nalin K. Vissanji	Chairman	12
2.	Mr. V. C. Mirani	Member	12
3.	Mr. S. N. Pittie	Member	01*

* Mr. S. N. Pittie was appointed as a member to the Committee vide Board Resolution dated 03.02.2012.

The Company Secretary is the Compliance Officer.

6. CODE OF CONDUCT :

The code of conduct for the Directors and Senior Management Personnel has been laid down by the board in the meeting held on 19.07.2006.

The Company has refined its Code of Conduct and Business Ethics, at the Board meeting held on 09.05.2012, as per the modified requirements of the Listing Agreement and SEBI, and the same is available on the website of the Company.

7. INSIDER TRADING :

The Securities and Exchange Board of India (SEBI) has introduced amendments to the existing Insider Trading Regulations of 1992 which requires new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Regulations, 1992) as amended from time to time, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading' (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

Ms. Preetal Mepani, Company Secretary has been appointed as the Compliance Officer for monitoring adherence to these Regulations.

8. DISCLOSURES :

A. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors in Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in No. 25(B)11B&C of Notes to the Financial Statements in the Annual Report.



INDIA GELATINE & CHEMICALS LTD.

B. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the annexure to Notes to the Financial Statements.

C. Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

D. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

E. Non-mandatory requirements

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

9. MEANS OF COMMUNICATION :

A. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed time limit.

B. The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the national English newspapers namely "Indian Express (English and Gujarati editions) and Financial Express".

C. Pursuant to Clause 51 and newly inserted Clause 52 of the Listing Agreement all data related to quarterly financial results, shareholding pattern etc., are filed with the Stock Exchange within time.

D. No formal presentations were made to the Institutional investors and analysts during the year under review.

E. Management Discussion and Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

10. GENERAL BODY MEETINGS :

Details of the location of the last three AGMs and the details of the resolutions passed or to be passed by Postal Ballot are as under;

Details of the last three AGMs are given below:

Consecutive Year	No. of AGM	Held at	Date	Time
2008-2009	37th	GICEA (Nirman Bhavan) Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006	25.09.2009	11.00 am
2009-2010	38th	GICEA (Nirman Bhavan) Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006	28.09.2010	11.00 am
2010-2011	39th	GICEA (Nirman Bhavan) Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006	28.09.2011	11.00 am

Whether special resolutions were put through postal ballot last year? N.A

Are polls proposed to be conducted through postal ballot this year? N.A



INDIA GELATINE & CHEMICALS LTD.

11. SHAREHOLDERS INFORMATION :

1. 40th Annual General Meeting

Date : Friday, 28th September, 2012

Time : 11.00 a.m.

Venue : GICEA, Nirman Bhavan, (Gajjar Hall),
Nr. Law Garden, Ellisbridge, Ahmedabad - 380006.

2. Date of Book Closure : 20.09.2012 to 28.09.2012

(Both days inclusive)

3. Listing of Shares

- Bombay Stock Exchange
- Ahmedabad Stock Exchange

4. Stock Code :

Stock Exchange

Ahmedabad Stock Exchange Ltd.

Bombay Stock Exchange Ltd.

Demat ISIN in NSDL and CDSL

Website

Stock Code

25710

531253

INE342D01012

www.indiagelatine.com

Market Price Data (Bombay Stock Exchange) for the year 2011-12

(₹)

MONTH	HIGH	LOW
April	38.95	32.35
May	39.45	32.00
June	38.90	32.35
July	41.65	31.85
August	41.50	32.00
September	39.35	31.10
October	34.80	30.00
November	39.00	28.00
December	29.90	25.60
January	32.95	25.55
February	36.20	28.05
March	38.50	31.10

5. Address for investor correspondence :

SHAREPRO SERVICES (INDIA) PVT. LTD.

13AB Samhita Warehousing Complex,
Second Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Andheri (East), Mumbai – 400 072

Tel. No. (022) 67720300, Fax No. (022) 28591568

E-mail ID : sharepro@shareproservices.com

INDIA GELATINE & CHEMICALS LTD.

703/704, "Shilp", 7th floor,
Near Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad – 380 009

Tel. No. (079) 26469514

E-Mail : kpv@indiagelatine.com



INDIA GELATINE & CHEMICALS LTD.

6. Distribution of Shareholding as at 31.03.2012

No. of Equity Shares held	No. of Shareholders	No. of Shares Held	Share Holding %
1 to 1000	4009	10,44,270	11.11
1001 to 5000	444	9,49,458	10.10
5001 to 10000	51	3,68,482	3.92
10001 and above	58	70,37,790	74.87
	4562	94,00,000	100.00

7. Equity Shares of the company are traded in Demat.

8. Outstanding GDRs/Warrants : Not Applicable.

9. Plant Location :

Manufacturing Plant of the Company is situated at Plot No.1A, GIDC, Vapi-396 195, Gujarat.

10. Green Initiative for Paperless Communications :

The Ministry of Corporate Affairs, Government of India (MCA) has, vide Circular No. 18/2011 dated 29th April, 2011, undertaken a 'Green Initiative in Corporate Governance' allowing companies to send the Annual Report and other documents to their shareholders electronically.

The Securities and Exchange Board of India has, vide Circular No. CIR/CFD/DIL/7/2011 directed listed companies to supply soft copies of Annual Reports to all those shareholders who have registered their e-mail addresses for the purpose.

Keeping in view the underlying theme and the circulars issued by MCA and SEBI, the Company proposes to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.

Please note that you will continue to be entitled to receive, upon your request, free of cost, a copy of the Annual Report and all other communication that may be sent to you electronically. The Annual Report will also be available on the Company's website www.indiagelatine.com

This is also a golden opportunity for every shareholder of India Gelatine & Chemicals Limited to contribute to this Corporate Social Responsibility initiative of the company. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Board of Directors of the company have approved and adopted the code of conduct for the Directors and the Senior Management Personnel. The Directors and Senior Management Personnel have affirmed compliance of the same for the year ended 31.03.12 as stipulated in sub-Clause 1(D)(ii) of Clause 49 of the Listing Agreement with the Stock Exchanges.

For **INDIA GELATINE & CHEMICALS LTD.**

Place : Mumbai
Date : 01.08.2012

Viren C. Mirani
Managing Director



INDIA GELATINE & CHEMICALS LTD.

CEO/CFO CERTIFICATE

**The Board of Directors,
INDIA GELATINE & CHEMICALS LTD.**

We certify that :

1. We have reviewed the Financial Statements, read with the Cash Flow Statement of India Gelatine & Chemicals Limited (the Company) for the year ended 31st March, 2012 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
4. We have disclosed to the Company's Auditors, the Audit Committee, and the Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes if any in the Company's internal control over financial reporting during the year.
 - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - c) that to the best of our knowledge, no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting existed during the period under review.

Place : Mumbai
Date : 01.08.2012

K. P. Vagadia
(Financial Controller)

Viren C. Mirani
(Managing Director)

Auditors' Certificate on Compliance with the conditions of Corporate Governance Under Clause 49 of the Listing Agreement.

To,
The Members of
INDIA GELATINE & CHEMICALS LTD.

1. We have examined the compliance of conditions of Corporate Governance by India Gelatine & Chemicals Ltd. (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Mahendra N. Shah & Co.,**
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Dated : 02.08.2012

Chirag M. Shah
Partner
M. No.F-45706



INDIA GELATINE & CHEMICALS LTD.

AUDITORS' REPORT

To,
The Members,
INDIA GELATINE & CHEMICALS LTD.

- 1) We have audited the attached Balance Sheet of M/s. India Gelatine & Chemicals Ltd., as at 31st March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Act.
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.
- 5) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub-Section (1) of Section 274 of the Act.

For Mahendra N. Shah & Co.,
Chartered Accountants
FRN 105775W

Chirag M. Shah
Partner
M. No.F-45706

Place : Ahmedabad
Dated : 02.08.2012



INDIA GELATINE & CHEMICALS LTD.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of the Auditors' Report of even date to the members of India Gelatine & Chemicals Ltd. on the financial statements for the year ended 31st March, 2012

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) There is a regular programme of verification which in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed off substantial part of Fixed Assets.
2. (a) Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has granted Loans to Companies, firms or other Parties covered in the register maintained under Section 301 of the Act.
 - (i) The Company has granted loan to associate concern and maximum amount outstanding at any time is aggregating to ₹ 600 lacs during the year.
 - (ii) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima-facie prejudicial to the interest of the Company.
 - (iii) The payment of Principal Amount as well as Interest thereof are also regular.
 - (iv) In respect of loans granted by the Company, the same are repayable on demand and ₹ 500 lacs is outstanding at the end of the year.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly the provisions of Clauses iii(e), iii(f) and iii(g) of the Order are not applicable.
4. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weaknesses have been noticed in internal control system.
5. (a) The particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register maintained under that section.
(b) The transactions in excess of ₹ 5.00 Lacs made in pursuance of contracts or arrangements referred to in Section 301 of the Act are, in our opinion, at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and other relevant provisions of the Act.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Value Added Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of such taxes, duties, cess were outstanding, as at 31st March, 2012 for a period of more than six months from the date they became payable.



INDIA GELATINE & CHEMICALS LTD.

- (b) According to the information and explanations given to us, the following demands as on 31.03.2012 have not been deposited since appeals are pending before the relevant authorities.

Sr. No.	Name of the Statute	Nature of dues	Amount (₹ Lacs)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Excise Duty & Service Tax	23.56	1980-81 to 1983-84	Dy. Commissioner of CEGAT Excise

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the bank during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of Clause (xii) of the Order are not applicable to the Company.
13. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Accordingly, the provisions of Clause (xiii) of the Order are not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All securities & other investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of Clause (xv) of the Order are not applicable to the Company.
16. In our opinion and according to the information and explanation given to us the Company has applied the term loans prima facie for the purpose for which the loans were obtained.
17. According to information and explanations given to us on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment to parties or companies covered in the register maintained under Section 301 of the Act.
19. The Company has not raised any funds through debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. Based on audit procedure performed and as per the information and explanations given by the Management, no fraud on or by the Company was noticed or reported during the year.

For Mahendra N. Shah & Co.,
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Dated : 02.08.2012

Chirag M. Shah
Partner
M. No.F-45706

**INDIA GELATINE & CHEMICALS LTD.****BALANCE SHEET AS AT 31ST MARCH, 2012**

(₹ lacs)

	Note No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	9,40.00	9,40.00
(b) Reserves and surplus	2	90,80.60	86,46.50
		100,20.60	95,86.50
2 Non-current Liabilities			
(a) Long-term borrowings	3	10.12	2.56
(b) Deferred Tax liabilities (Net)	4	8,52.35	8,40.97
(c) Other Long term liabilities	5	4.49	4.49
(d) Long-term provisions	6	10,96.87	5,86.79
		19,63.83	14,34.81
3 Current Liabilities			
(a) Trade payables		5,12.81	2,13.85
(b) Other current liabilities	7	1,46.94	1,73.23
(c) Short-term provisions	8	10,11.73	11,93.42
		16,71.48	15,80.50
TOTAL		136,55.91	126,01.81
II. ASSETS			
Non-current Assets			
1 (a) Fixed assets			
(i) Tangible assets	9(a)	43,70.83	41,42.88
(ii) Intangible assets	9(b)	83.40	99.75
(iii) Capital work-in-progress	9(c)	1,68.72	0.00
(b) Non-current investments	10	14,14.69	20,06.45
(c) Long-term loans and advances	11	16,91.72	10,05.89
		77,29.36	72,54.97
2 Current Assets			
(a) Current investments	12	0.00	8,00.00
(b) Inventories	13	15,86.26	16,30.02
(c) Trade receivables	14	8,50.48	5,73.44
(d) Cash and cash equivalents	15	22,09.71	6,64.42
(e) Short-term loans and advances	16	12,30.03	16,50.98
(f) Other current assets	17	50.07	27.98
		59,26.55	53,46.84
TOTAL		136,55.91	126,01.81

As per our attached report of even date

For **MAHENDRA N. SHAH & CO.**
Chartered Accountants
FRN105775W

Chirag M. Shah
Partner
M. No.: F-45706
Place : Ahmedabad
Date : 02.08.2012

Viren C. Mirani
Managing Director

Preetal Mepani
Company Secretary

Place : Mumbai
Date : 01.08.2012

K. C. Dalal
N. C. Mirani
M. D. Vora
S. N. Pittie
Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

(₹ lacs)

	Note No.	2011-2012	2010-2011
I. Revenue from operations	18	103,30.61	86,05.19
II. Other income	19	3,58.97	3,07.10
III. Total Revenue (I + II)		106,89.58	89,12.29
IV. Expenses:			
Cost of materials consumed	20	44,85.88	39,06.83
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(50.32)	1,89.82
Employee benefit expense	22	3,71.95	2,54.00
Finance costs	23	18.77	16.44
Depreciation and amortization expense		4,47.04	4,24.40
Other expenses	24	44,48.66	36,97.86
Total expenses		97,21.98	84,89.35
V. Profit before exceptional items and tax (III - IV)		9,67.60	4,22.94
VI. Exceptional items		0.00	28.28
VII. Profit before tax (V - VI)		9,67.60	3,94.66
VIII Tax expense:			
(1) Current tax		2,49.00	1,62.00
(2) Deferred tax		11.38	(44.52)
IX Profit for the year (VII - VIII)		7,07.22	2,77.18
X Earnings per equity share:			
(1) Basic (₹)		7.52	2.95
(2) Diluted (₹)		7.52	2.95
Weighted average number of equity shares (face value of ₹ 10 each)		94,00,000	94,00,000

As per our attached report of even date

For **MAHENDRA N. SHAH & CO.**
Chartered Accountants
FRN105775W

Chirag M. Shah
Partner
M. No.: F-45706
Place : Ahmedabad
Date : 02.08.2012

Viren C. Mirani
Managing Director

Preetal Mepani
Company Secretary

Place : Mumbai
Date : 01.08.2012

K. C. Dalal
N. C. Mirani
M. D. Vora
S. N. Pittie
Directors



Notes to the Financial Statements for the Year ended 31st March 2012

Note 1 Share Capital

	As at 31st March 2012		As at 31st March 2011	
	Number	₹ lacs	Number	₹ lacs
Authorised				
Equity Shares of ₹ 10/- each	125,00,000	12,50.00	125,00,000	12,50.00
Issued				
Equity Shares of ₹ 10/- each	94,00,000	9,40.00	94,00,000	9,40.00
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	94,00,000	9,40.00	94,00,000	9,40.00
Total	94,00,000	9,40.00	94,00,000	9,40.00

(a) Particulars of Share Holders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Divyaprabha C. Mirani	561358	5.97	561358	5.97
Manorama N. Mirani	564580	6.00	576564	6.13
Nippi Incorporated	920000	9.79	920000	9.79
Olive Finance & Investment Pvt Ltd	1874599	19.94	1874599	19.94

Note 2 Reserves & Surplus

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
a. Capital Reserve	6,30.26	6,30.26
b. Securities Premium Reserve	13,63.40	13,63.40
c. General Reserve		
Opening Balance	63,31.89	62,31.89
(+) Transferred from Statement of Profit and Loss	4,00.00	1,00.00
Closing Balance	67,31.89	63,31.89
d. Surplus in Statement of Profit and Loss :		
Opening balance	3,20.95	3,62.27
(+) Net Profit for the current year	7,07.22	2,77.18
(-) Proposed Dividend	2,35.00	1,88.00
(-) Dividend Distribution Tax	38.12	30.50
(-) Transfer to General Reserve	4,00.00	1,00.00
Closing Balance	3,55.05	3,20.95
Total	90,80.60	86,46.50



Notes to the Financial Statements for the Year ended 31st March 2012

Note 3 Long Term Borrowings

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
Secured Loan :		
Term loan :		
From ICICI Bank Ltd	10.12	2.56
(Secured against Vehicles)		
Total	10.12	2.56

Note 4 Deferred Tax Liabilities (Net)

Opening Balance	8,40.97	8,85.49
Add/(Less) : Provided /(written back) during the year	11.38	(44.52)
Total	8,52.35	8,40.97

Note 5 Other Long Term Liabilities

Security Deposit	4.49	4.49
Total	4.49	4.49

Note 6 Long Term Provisions

(a) Provision for employee benefits Leave Encashment (unfunded)	68.48	44.37
(b) Others : Provisions for Tax & Disputed Matters	10,28.39	5,42.42
Total	10,96.87	5,86.79



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

Note 7 Other Current Liabilities

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
(a) Current maturities of Long term borrowings (Secured)	11.94	27.71
(b) Advance from Customers	1,15.14	1,07.58
(c) Unpaid dividend	12.98	10.61
(d) Other Current Liabilities	6.88	27.33
Total	1,46.94	173.23

Note 8 Short Term Provisions

(a) Provision for employee benefits	8.57	7.92
(b) Others :		
i) Proposed Dividend	2,35.00	1,88.00
ii) Tax on Dividend	38.12	30.50
iii) Provision for Income Tax	7,30.04	9,67.00
Total	10,11.73	11,93.42



Notes to the Financial Statements for the Year ended 31st March 2012

Note 9 Fixed Assets

(₹ Lacs)

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	Balance as at 1 st April 2011	Additions	Sale / Adjustment	Balance as at 31st March 2012	Up to 31st March, 2011	Depreciation for the year	Adjustment due to Sale etc.	Balance as at 31st March 2012	Balance as at 31st March 2011
a									
Tangible Assets									
Land (Freehold)	4.46	0.00	0.00	4.46	0.00	0.00	0.00	4.46	4.46
Land (Leasehold)	21.42	0.00	0.00	21.42	3.09	0.22	0.00	18.11	18.33
Buildings	16,30.35	12.96	0.00	16,43.31	5,59.34	39.84	0.00	10,44.13	10,71.01
Plant and Equipment	69,32.76	5,15.65	50.28	73,98.13	42,08.58	3,42.76	44.86	28,91.65	27,24.18
Furniture and Fixtures	1,81.24	7.73	1.22	1,87.75	1,12.94	7.27	0.52	68.06	68.30
Vehicles	3,50.86	1,82.12	75.80	4,57.18	1,05.20	38.82	22.10	3,35.26	2,45.66
Office equipment	34.12	0.00	0.00	34.12	23.18	1.78	0.00	9.16	10.94
Laboratory Equipment	91,55.21	7,18.46	1,27.30	97,46.37	50,12.33	4,30.69	67.48	43,70.83	41,42.88
Total									
b									
Intangible Assets									
Technical Know How	3,09.74	0.00	0.00	3,09.74	2,09.99	16.35	0.00	83.40	99.75
Total									
c									
Capital Work In Progress									
	0.00	1,68.72	0.00	1,68.72	0.00	0.00	0.00	1,68.72	0.00
Total									
Total	94,64.95	8,87.18	1,27.30	102,24.83	52,22.32	4,47.04	67.48	46,22.95	42,42.63

**INDIA GELATINE & CHEMICALS LTD.****Notes to the Financial Statements for the Year ended 31st March 2012****Note 10 Non-Current Investments**

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
Investments (Non Trade)		
(a) Investment in Equity Shares	7,16.63	7,32.97
(b) Investment in Preference Shares	0.14	0.14
(c) Investment in debentures or bonds	3,23.62	1,00.98
(d) Investment in Mutual Funds	3,74.24	11,72.30
(e) Other non-current investments - National Savings Certificate	0.06	0.06
Total	14,14.69	20,06.45

	2012	2011
	₹ lacs	₹ lacs
Aggregate amount of quoted investments (Market value of ₹ 5,91.99 lacs (Previous Year ₹ 10,80.27 lacs)	5,88.21	10,80.93
Aggregate amount of unquoted investments at cost ₹ 8,26.48 lacs (Previous Year ₹ 9,25.52 lacs)	8,26.48	9,25.52


INDIA GELATINE & CHEMICALS LTD.
Notes to the Financial Statements for the Year ended 31st March 2012

Details of Non-Current Investments (At Cost)								
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ lacs)	
			As at 31 March 2012	As at 31 March 2011			As at 31 March 2012	As at 31 March 2011
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a) Investment in Equity Shares								
1	Tamilnadu Jaibharat Mills Ltd	Others	50000	50000	Quoted	Fully Paid	5.00	5.00
2	Autolite (India) Ltd	Others	100	100	Quoted	Fully Paid	0.09	0.09
3	Bannari Amman Spinning Mills Ltd	Others	0	4000	Quoted	Fully Paid	0.00	4.77
4	Lakshmi Machines Works Ltd	Others	525	525	Quoted	Fully Paid	9.70	9.70
5	SRF Limited	Others	0	2575	Quoted	Fully Paid	0.00	4.96
6	Alpha Geo (India) Limited	Others	950	950	Quoted	Fully Paid	2.01	2.01
7	Bharat Forge Limited	Others	4300	4300	Quoted	Fully Paid	15.37	15.37
8	Centum Electronics Limited	Others	7000	7000	Quoted	Fully Paid	8.98	8.98
9	Carborundum Universal Ltd	Others	6400	0	Quoted	Fully Paid	7.38	0.00
10	EID Parry (India) Limited	Others	7160	4160	Quoted	Fully Paid	16.05	9.36
11	Hindustan Petroleum Corp. Limited	Others	0	3200	Quoted	Fully Paid	0.00	11.24
12	KPR Mills Limited	Others	0	4300	Quoted	Fully Paid	0.00	9.44
13	K.V. Cottom Gin. & Press. Co. Pvt Ltd	Associates	9700	9700	Unquoted	Fully Paid	97.00	97.00
14	Supreme Yarn Spinners Ltd	Others	6000	6000	Unquoted	Fully Paid	0.60	0.60
15	Shri Vigneswara Cotton Mills Limited	Others	6000	6000	Unquoted	Fully Paid	0.60	0.60
16	SCIL Capital India Limited	Associates	5500000	5500000	Unquoted	Fully Paid	5,52.85	5,52.85
17	SKM Engg. Products Export (I) Ltd	Others	10000	10000	Unquoted	Fully Paid	1.00	1.00
(b) Investment in Preference Shares								
1	K.S. Reality Construction Pvt Ltd	Others	1375	1375	Unquoted	Fully Paid	0.14	0.14
(c) Investment in Debentures/Bonds								
1	Future Corporate Resources Ltd	Others	0	100	Unquoted	Fully Paid	0.00	1,00.98
2	National Highway Authorities of India	Others	12362	0	Quoted	Fully Paid	1,23.62	0.00
3	Cholamandalam Investment & Finance Co. Ltd	Others	20	0	Quoted	Fully Paid	1,00.00	0.00
4	Religare Finvest Ltd	Others	10000	0	Quoted	Fully Paid	1,00.00	0.00
(d) Investment in Mutual Funds								
1	Kotak India Growth Fund	Others	13228	13710	Unquoted	Fully Paid	1,18.74	1,32.30
2	Kotak India Growth Fund - II	Others	100	100	Unquoted	Fully Paid	55.50	40.00
3	Reliance Interval Fund - Quarterly Plan 1	Others	0	7573520	Quoted	Fully Paid	0.00	10,00.00
4	Reliance Fixed Horixon Fund XIX Series 4 Growth	Others	2000000	0	Quoted	Fully Paid	2,00.00	0.00
(e) Other non-current investments								
1	National Savings Certificate	Others	—	—	Unquoted	Fully Paid	0.06	0.06
Total							14,14.69	20,06.45



Notes to the Financial Statements for the Year ended 31st March 2012

Note 11 Long Term Loans and Advances

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
Unsecured, considered good		
(a) Security Deposits	77.13	59.45
(b) Staff Loan	0.42	0.42
(c) Other Loans & Advances	16,14.17	9,46.02
Total	16,91.72	10,05.89

Note 12 Current Investments

Investment (Non-Trade)		
(a) Investments in Mutual Funds	0.00	8,00.00
Total	0.00	8,00.00
Aggregate amount of quoted Investment (Market Value of ₹ Nil) (Previous year ₹ 8,20.50 lacs)	0.00	8,00.00

Details of Current Investments									
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ lacs)		Basis of Valuation
			As at 31 March 2012	As at 31 March 2011			As at 31 March 2012	As at 31 March 2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(a)	Investments in Mutual Funds								
1	Reliance Monthly Interval Fund - I (Growth)	Others	0.00	30.18	Quoted	Fully paid	0.00	4,00.00	At Cost
2	Reliance Regular Saving Fund Balance - Growth	Others	0.00	4.82	Quoted	Fully paid	0.00	1,00.00	At Cost
3	Reliance Regular Saving Fund Debt - Growth	Others	0.00	23.39	Quoted	Fully paid	0.00	3,00.00	At Cost
	Total						0.00	8,00.00	

Note 13 Inventories

	₹ lacs	₹ lacs
(Valued at cost or net realisable value whichever is lower)		
(a) Raw Materials and components	3,24.34	4,04.75
(b) Work-in-progress	5,07.25	4,43.49
(c) Finished goods	5,61.74	5,75.18
(d) Stores and spares	1,90.28	2,03.92
(e) Loose Tools	2.65	2.68
Total	15,86.26	16,30.02



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

Note 14 Trade Receivables (Unsecured)

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
(a) Outstanding for a period exceeding six months from the date they are due for payment Considered good	1.09	1.25
(b) Others (Considered good)	8,49.39	5,72.19
Total	8,50.48	5,73.44

Note 15 Cash and Cash Equivalents

	As at 31st March 2012		As at 31st March 2011	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
(a) Cash on hand		0.91		1.41
(b) Balances with banks				
(i) In Current Accounts	18,66.30		4,10.93	
(ii) Earmarked Balances (unpaid dividend accounts)	12.98	18,79.28	10.61	4,21.54
(iii) In Deposit Accounts :				
(a) Margin money Deposit	1,94.52		1,06.47	
(b) Bank deposits with more than 12 months maturity	1,35.00	3,29.52	1,35.00	2,41.47
Total		22,09.71		6,64.42

Note 16 Short Term loans and advances

	As at 31st March 2012	As at 31st March 2011
	₹ lacs	₹ lacs
Unsecured, considered good		
(a) Loans and advances to related parties	5,00.00	6,00.00
(b) Other Loans and Advances	7,30.03	10,50.98
Total	12,30.03	16,50.98

Note 17 Other Current Assets

Interest Receivable	50.07	27.98
Total	50.07	27.98

**INDIA GELATINE & CHEMICALS LTD.****Notes to the Financial Statements for the Year ended 31st March 2012****Note 18 Revenue from Operations**

	2011-2012	2010-2011
	₹ lacs	₹ lacs
(a) Sale of products		
Gross Sales	100,90.88	85,43.51
Less:		
Excise duty	81.28	1,24.27
Net Sales	100,09.60	84,19.24
Details of finished goods sold:		
Ossein	19,98.74	14,52.38
Gelatine	53,46.50	46,52.53
Dicalcium phosphate	26,64.36	23,14.33
Total Sales	100,09.60	84,19.24
(b) Other Operating Revenue		
(i) Miscellaneous Sales	1,04.40	81.68
(ii) Duty Entitlement Pass Book	1,48.78	1,03.25
(iii) Duty Drawback	67.83	1.02
	3,21.01	1,85.95
Total	103,30.61	86,05.19

Note 19 Other Income

Interest Income	58.65	70.89
Dividend Income	60.91	18.37
Profit on sale of investments	1,70.45	1,85.69
Settlement of claim for Price Variation	58.26	0.00
Miscellaneous Income	10.70	32.15
Total	3,58.97	3,07.10



Notes to the Financial Statements for the Year ended 31st March 2012

Note 20 Cost of Materials Consumed

	2011-2012		2010-2011	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
Opening Stock		4,04.75		3,40.06
Add: Purchases during the year				
i) Crushed Bones	40,17.05		34,80.76	
ii) Lime	2,56.61		2,05.26	
iii) Hydrochloric Acid	1,31.81	44,05.47	2,85.50	39,71.52
		48,10.22		43,11.58
Less: Closing Stock		3,24.34		4,04.75
Consumption of Materials which includes Consumption of		44,85.88		39,06.83
i) Crushed Bones		40,97.38		34,14.60
ii) Lime		2,55.58		2,05.81
iii) Hydrochloric Acid		1,32.92		2,86.42

Note 21 Changes in Inventories

	2011-2012	2010-2011
	₹ lacs	₹ lacs
Closing Stock		
Finished	5,61.74	5,75.18
Work in Process	5,07.25	4,43.49
	10,68.99	10,18.67
Less :		
Opening Stock		
Finished	5,75.18	8,37.59
Work in Process	4,43.49	3,70.90
	10,18.67	12,08.49
(Increase)/Decrease	(50.32)	1,89.82

Note 22 Employee Benefit Expenses

Salary, Wages & Bonus	3,19.33	2,21.85
Staff Welfare Expenses	8.08	6.23
Contribution to Provident Fund	11.58	10.12
Contribution to ESI Scheme	5.37	5.09
Gratuity - Contribution to LIC Scheme	27.59	10.71
Total	3,71.95	2,54.00

Note 23 Finance Costs

Interest expense	3.94	6.89
Other borrowing costs	14.83	9.55
Total	18.77	16.44



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

Note 24 Other Expenses

	2011-2012		2010-2011	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
Packing Materials Consumed		83.87		83.78
Stores, Spares & Tools Consumed		5,81.51		6,22.76
Power & Fuel		19,76.13		14,07.66
Gas Equipment Lease rentals & Man Power supply charges		1,35.26		1,61.63
Labour Charges		1,93.13		1,61.01
CETP, Water and Effluent Treatment Charges		3,52.34		2,80.16
Repairs				
Machinery	1,16.89		1,00.52	
Building	1,68.54		94.63	
Others	11.62	2,97.05	7.32	2,02.47
Export Expenses		1,33.56		97.55
Freight and Cartage		66.38		86.99
Insurance		16.37		16.54
Rent, Rates & Taxes		13.20		38.69
Postage and Telephone		21.74		20.35
Stationery & Printing		7.46		7.20
Advertisement & Sales Promotion Expenses		23.92		17.47
Commission and Discount on Sales		1,17.12		94.46
Directors' Sitting Fees		1.60		1.70
Donation		14.47		0.06
Travelling Expenses		1,18.32		1,01.97
Loss on Sale of Fixed Assets		0.00		0.98
General Expenses		2,49.18		2,20.40
Sales Tax		46.05		74.03
Total		44,48.66		36,97.86



Notes to the Financial Statements for the Year ended 31st March 2012

Note 25(A) Significant Accounting Policies

1 Basis of Accounting :

The financial statements are prepared under the historical cost convention as a going concern and on accrual basis accordance with the generally accepted accounting principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.(The Act)

2 Use of Estimates

The presentation of financial statements require estimates and disclosure of contingent liabilities assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3 Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction, net of cenvat credit, including incidental expenses related to acquisition and installation and financing costs till the commencement of commercial production and adjustments arising from exchange rate variation relating to borrowings attributable to fixed assets, less accumulated depreciation.

Free hold land is stated at cost.

4 Depreciation :

The Company has continued to provide depreciation on straight line method at the revised rates on the original cost of the assets as per circular dt.20.12.93. In respect of other assets for which rates are not revised, the Company has continued to provide depreciation on straight line method as specified in schedule XIV of the Companies Act, 1956.

Leasehold Land is amortized over the period of lease.

5 Inventories :

Items of inventories are valued on the FIFO/Specific Weighted Average Cost and on the basis given below :

a) Stores and Spares, Packing Materials, Fuel & Loose tools	-	At cost or net realizable value, whichever is lower
b) Raw Materials	-	At cost or net realizable value, whichever is lower
c) Work-in-Process	-	At cost or net realizable value, whichever is lower
d) Finished Goods	-	At cost or net realizable value, whichever is lower

Costs of inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

6 Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

7 Investments :

Long Term Investments are carried at cost less provision for permanent diminution, if any, in value of such investments.

8 Employee Benefits :

Short term employee benefits (which are payable within 12 months after the end of the period in which the employees render service) are measured at cost.

Long term employee benefits (which are payable after the end of 12 months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of Actuarial Valuation.



Notes to the Financial Statements for the Year ended 31st March 2012

Contribution to provident fund a defined contribution plan is made in accordance with the statute.

The cost of providing leave encashment and gratuity defined benefit plans are determined using Projected Unit Credit Method on the basis of Actuarial valuation.

9 Impairment of Assets :

The company on an Annual basis makes an assessment of any indicator that may lead to impairment of Assets. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by creating the difference as impairment loss & is charged to Profit & Loss Account.

10 Excise duty and Cenvat Credit :

Excise Duty payable on finished goods is accounted for on clearance of goods. Cenvat credit on Capital goods and Inputs is accounted for on the date of actual receipt of the same, respectively.

11 Foreign Currency Transactions :

(a) Initial recognition :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the date of the transaction.

(b) Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of the transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange differences :

Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(d) Forward Exchange Contracts not intended for trading :

The premium or discount arising of the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

12 Revenue Recognition :

Income and Expenditure are recognized and accounted on Accrual Basis. Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers and no effective ownership is retained. However;

(a) Revenue in respect of insurance/other claims etc., is recognized only when it is reasonably certain that the ultimate collection will be made.

(b) Export Incentives in respect of exports made under the Duty Entitlement Pass Book Scheme is being accounted for on transfer.

(c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

13 Segment Accounting :

The Company deals in only one product segment i.e. Chemical Products and hence requirements of AS-17 "Segment Reporting" issued by ICAI are not applicable.

14 Earnings Per Share :

The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax (and includes the post tax effect of any extra ordinary item). The number of shares used in computing Basic EPS is the



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15 Taxation :

(a) Direct Taxes :

Tax expense for the year, comprising of Current Tax and Deferred Tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(b) Indirect Taxes :

The liabilities are provided or considered as contingent depending upon the merit of each case and/or receiving the actual demand from the department.

16 Operating Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

17 Cash Flow Statement :

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by operating, Investing and financing activities of the Company.

Cash and Cash Equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

18 Provisions and Contingent Liabilities :

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. A contingent liability is disclosed when the company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed in the financial statements.

Note 25(B)

- 1 Previous year's figures have been regrouped, re-arranged, re-casted wherever necessary to make them comparable with those of the current year.
- 2 Surplus of ₹ 14.79 Lacs (Previous year of ₹ 1,12.29 Lacs) & deficits of ₹ 0.08 Lacs (Previous year surplus of ₹ 1.82 Lacs) being the impact of foreign exchange fluctuation has been included in the Turnover and Purchase of Stores, Spares & Machinery respectively.
- 3 There are no Micro and Small Enterprise, to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

4	Contingent liabilities :	(₹ lacs)	
i)	Bank Guarantees issued		
		<u>2011-2012</u>	<u>2010-2011</u>
	GSPC	1,61.35	1,61.35
	Pollution Control Board	28.00	28.00
	Quippo Infrastructure Equipment Ltd.	34.73	34.73
	Dakshin Gujarat Vij Company	59.09	—
		<u>2,83.17</u>	<u>2,24.08</u>
ii)	In respect of claims against the Company not acknowledged as debts		
		<u>2011-2012</u>	<u>2010-2011</u>
	Excise Duty	8.15	8.15
	Service Tax	15.41	15.41
		<u>23.56</u>	<u>23.56</u>

5 Operating Lease :

As Lessee : Lease rental of ₹1,22.48 lacs (Previous year ₹1,53.13 Lacs) charged to revenue for right to use leasehold assets like gas based power generating equipments & waste heat recovery equipment. The agreement was executed for a period of 260 weeks which was terminated during the year.

6(a) Defined Benefit Plan in respect of Gratuity as per Actuarial valuations on 31st March, 2012 : (₹ lacs)

1.	Assumption	As on 31/03/2012
	Discount Rate	8.00%
	Salary Escalation	4.00%
2.	Changes in present value of Obligation	As on 31/03/2012
	Present Value of obligation as at beginning of year	1,24.98
	Interest cost	10.00
	Current Service Cost	4.59
	Benefits paid	(22.77)
	Actuarial (gain)/loss on obligations	23.48
	Present value of obligations as at end of year	1,40.28
3.	Changes in the fair value of plant assets	As on 31/03/2012
	Fair value of plan assets at beginning of year	1,28.17
	Expected return on plan assets	11.49
	Contributions	9.92
	Benefits paid	(22.77)
	Actuarial Gain/(Loss) on Plan assets	Nil
	Fair value of plan assets at the end of year	1,26.81
4.	Fair value of plan assets	
	Fair value of plan assets at beginning of year	1,28.17
	Actual return on plan assets	11.49
	Contributions	9.92
	Benefits paid	(22.77)
	Fair value of plan assets at the end of year	1,26.81
	Funded status	(13.47)
	Excess of actual over estimated return on plan Assets (Actual rate of return = Estimated rate As ARD falls on 31st March)	Nil



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

5. Actuarial Gain/Loss recognized	
Actuarial (gain)/loss on obligation	(23.48)
Actuarial (gain)/loss for the year – plan assets	Nil
Actuarial (gain)/loss on obligations	23.48
Actuarial (gain)/loss recognized in the year	23.48
6. The amounts to be recognized in the balance sheet and statements of profit and loss	
Present value of obligations as at the end of year	1,40.28
Fair value of plan assets as at the end of the year	1,26.81
Funded status	(13.47)
Net Asset/(Liability) recognized in balance sheet	13.47
7. Expenses Recognized in statement of Profit & Loss	
Current service cost	4.59
Interest cost	10.00
Expected return on plan assets	(11.49)
Net Actuarial (gain)/Loss recognized in the year	23.49
Expenses recognized in statement of Profit & Loss	26.58

6(b) In respect of liability of leave encashment up to 31.12.2011 the company has obtained actuarial valuation and has provided for ₹ 33.42 Lacs in the books.

7 In respect of appeal filed by the company in Income Tax appellate tribunal regarding the treatment of receipt of Capital Compensation of ₹12,53.00 lacs which the company has claimed as exempt has been decided in favour of the Revenue treating the receipt as "Business Income". However, the company has already paid the entire tax of ₹ 3,84.00 lacs in respective year. The company has preferred appeal in Gujarat High Court against the impugned order of the ITAT. The company has been legally advised that it has a good case in appeal and hence no provision thereof has been made in the accounts.

8 In terms of Accounting Standard 28 – Impairment of Assets issued by ICAI, the management has reviewed its fixed Assets and arrived at the conclusion that Impairment loss which is difference between the carrying amount and recoverable value of Assets, was not material and hence no provision is required to be made.

9 The Sales Tax Assessments of the company are completed up to accounting year 2007-2008.

10 Earnings per share

	Year Ended 31.03.2012	Year Ended 31.03.2011
Net profit attributable to Shareholders (₹ lacs)	7,07.22	2,77.18
Weighted average number of equity shares	94,00,000	94,00,000
Basic earnings per share of ₹ 10/- each (₹)	7.524	2.949

The company does not have any outstanding dilutive potential equity shares, Consequently the basic and diluted earning per share of the company remain the same.

11 Disclosure in respect of related parties pursuant to Accounting Standard 18;

A. List of Related parties :

- 1) Parties where Control Exists : —
- 2) Other parties with whom company entered into transactions during the year
 - i) Joint Ventures : —
 - ii) Associates : SCIL Capital India Ltd.
- 3) Key Management Personnel and Enterprises having common Key Management Personnel or their Relatives



INDIA GELATINE & CHEMICALS LTD.

Notes to the Financial Statements for the Year ended 31st March 2012

Key Management Personnel :

Mr. Viren C. Mirani - Managing Director

Enterprises having common Key Management Personnel and/or their Relatives:

- 1) KVS Software Pvt. Ltd.
- 2) Khimji Visram & Sons (Guj) Pvt. Ltd.
- 3) Olive Finance & Investment P. Ltd.
- 4) Khimji Visram & Sons (Partnership Firm)
- 5) Khimji Visram & Sons (Commission Dept) (Partnership Firm)
- 6) Khimji Visram & Company. (Partnership Firm)
- 7) S.E. International
- 8) K.V. Logistics Pvt. Ltd.
- 9) K.V. Cotton Ginning & Pressing Co. Pvt. Ltd.

Relatives of Key Management Personnel :

Mr. Nayan C. Mirani, Brother of Mr. Viren C. Mirani

B. During the year following transactions were carried out with related parties in the ordinary course of business and at Arms Length.

(₹ lacs)

	Nature of Trans.	Associates	Key Managerial Personnel	Enterprises/Relatives of Key Management Personnel
1.	Managerial Remuneration	—	1,11.98	—
2.	Loans Given	—	—	5,00.00
3.	Interest Received	—	—	7.34
4.	Reimbursement of Expenses	—	—	3.58

C. Outstanding balances as on 31.03.2012

(₹ lacs)

	Nature of Trans.	Associates	Key Managerial Personnel	Enterprises/Relatives of Key Management Personnel
1.	Loans given	— (—)	— (—)	5,00.00 (6,00.00)
2.	Investment in Shares	6,49.85 (6,49.85)	— (—)	— (—)

Figures of previous years are shown in brackets.

12. General Expenses Include

Auditor's Remuneration (Including Service Tax)

(₹ lacs)
2011-2012 2010-2011

a)	Audit Fees	2.25	2.21
b)	For Tax Audit	0.84	0.83
c)	Out of pocket expenses	0.60	0.23
		<u>3.69</u>	<u>3.27</u>

13. The company has entered into forward exchange contracts / options which are not intended for trading or speculative purposes, but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

**INDIA GELATINE & CHEMICALS LTD.****Notes to the Financial Statements for the Year ended 31st March 2012****a) Forward Contracts
Receivables**

Currency	31.03.2012		31.03.2011	
	Quantity	₹ lacs	Quantity	₹ lacs
USD	1630000	8,21.59	4168551	19,71.18
EURO	175000	1,17.85	304915	2,05.88

Payable

Currency	31.03.2012		31.03.2011	
	Quantity	₹ lacs	Quantity	₹ lacs
	Nil	Nil	Nil	Nil

**b) Un hedged Foreign Currency Exposures at Balance Sheet Date :
Receivables**

Currency	31.03.2012		31.03.2011	
	Quantity	₹ lacs	Quantity	₹ lacs
USD	930441	4,73.36	407131	1,82.60
EURO	57500	39.02	Nil	Nil

14. Value of Imports calculated on C.I.F. Basis in respect of :		(₹ lacs)
	2011-2012	2010-2011
i) Components - Spare parts	13.97	49.11
ii) Capital Goods	15.61	92.90
15. Expenditure of Foreign Currency on account of :		
a) Revenue Expenditure		
i) Travelling	59.03	46.22
ii) Subscription	4.55	4.05
iii) Interest	—	—
iv) Commission	49.21	65.13
16. Earning in Foreign Exchange		
Export of goods (FOB)	55,36.24	36,70.53
17. The amount remitted during the year in Foreign Currency		
Payment of Dividend :		
Dividend Paid	18.40	18.40
No. of non-resident shareholders	1	1
Year to which it relate	2010-2011	2009-2010

As per our attached report of even date

For **MAHENDRA N. SHAH & CO.**
Chartered Accountants
FRN105775W**Chirag M. Shah**
Partner
M. No.: F-45706
Place : Ahmedabad
Date : 02.08.2012**Viren C. Mirani**
Managing Director**Preetal Mevani**
Company SecretaryPlace : Mumbai
Date : 01.08.2012**K. C. Dalal**
N. C. Mirani
M. D. Vora
S. N. Pittie
Directors


INDIA GELATINE & CHEMICALS LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ lacs)

	2011-2012		2010-2011	
A) Cash Flow From Operating Activities				
Net Profit before tax as per Statement of Profit & Loss		9,67.60		4,22.94
Adjustments :				
Depreciation	4,47.04		4,24.40	
(Profit)/ Loss on sale of Fixed Assets	(2.18)		0.99	
Investment Income	(1,19.56)		(89.26)	
Interest Paid	18.77		16.44	
Net Gain on Sale of Investments	(1,70.45)	1,73.62	(1,85.69)	1,66.88
Operating Profit before working capital		11,41.22		5,89.82
Adjusted for :				
i) Trade & other Receivables	(1,88.71)		88.63	
ii) Stock	43.76		1,43.67	
iii) Trade Payable	3,13.96	1,69.01	(1,09.05)	1,23.25
Cash generated from operations		13,10.23		7,13.07
Interest Paid	(18.77)		(16.44)	
Direct Tax Paid	(3,53.21)	(3,71.98)	(1,64.26)	(1,80.70)
Foreign Exchange effects		9,38.25		5,32.37
		0		0
Net Cash from Operating Activities		9,38.25		5,32.37
B) Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(8,87.18)		(2,70.07)	
Foreign exchange effect on fixed assets	0.00		0.00	
Sale of Fixed Assets	61.98		7.13	
Purchase of Investments	(62,53.33)		(19,69.39)	
Sale of Investments	78,15.53		21,97.75	
Interest Income	36.56		1,02.07	
Dividend Income	60.91		18.37	
Net Cash used in Investing Activities		8,34.47		85.86
C) Cash Flow from Financing Activities				
Borrowing of Funds	9.21		0.00	
Re-payment of Borrowings	(17.42)		(60.53)	
Proceeds from Issue of shares	0.00		0.00	
Foreign Exchange Effects on L.T. Borrowings	0.00		0.00	
Dividend paid including distribution tax	(2,19.22)		(2,19.22)	
Net Cash from Financing Activities		(2,27.43)		(2,79.75)
Net Increase in Cash & Cash Equivalents (A+B+C)		15,45.29		3,38.48
Opening Balance of Cash & Cash equivalents		6,64.42		3,25.94
Closing Balance of Cash & Cash equivalents		22,09.71		6,64.42
Net Increase/(Decrease) in Cash & Cash Equivalents		15,45.29		3,38.48

As per our attached report of even date

 For **MAHENDRA N. SHAH & CO.**
 Chartered Accountants
 FRN105775W

Chirag M. Shah
 Partner
 M. No.: F-45706
 Place : Ahmedabad
 Date : 02.08.2012

Viren C. Mirani
 Managing Director

Preetal Mevani
 Company Secretary

 Place : Mumbai
 Date : 01.08.2012

K. C. Dalal
N. C. Mirani
M. D. Vora
S. N. Pittie
 Directors



INDIA GELATINE & CHEMICALS LTD.

703, 'Shilp', C.G. Road, Navrangpura,
Ahmedabad – 380009 Gujarat.

01.08.2012

Dear Shareholder,

Subject : MCA's Green Initiative for Paperless Communications

The Ministry of Corporate Affairs, Government of India (MCA) has, vide Circular No. 18/2011 dated 29th April, 2011, undertaken a 'Green Initiative in Corporate Governance' allowing companies to send the Annual Report and other documents to their shareholders electronically.

The Securities and Exchange Board of India has, vide Circular No. CIR/CFD/DIL/7/2011 directed listed companies to supply soft copies of Annual Reports to all those shareholders who have registered their e-mail addresses for the purpose.

Our company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses / delays in postal transit.

We therefore propose to send documents, such as the Notice of the Annual General Meeting, Annual Report, half-yearly communications etc. henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time. As per our records, your e-mail address is not registered with your Depository Participant / Share Transfer Agent.

In case you wish to receive all the above communications in electronic form; and

- A. hold your shares in dematerialized form, kindly register your e-mail address with your Depository Participant at the earliest, or
- B. hold your shares in physical form, kindly register your e-mail address with Sharepro Services (India) Pvt. Ltd. our Share Transfer Agent, at the following Name and address at the earliest;

Laxman Poojary

Asst. Client Manager,

13AB Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,
Andheri (East), Mumbai – 400 072
Tel No. : (022) 67720300 Fax No. : (022) 28591568
E-mail ID : sharepro@shareproservices.com

You may use the format given below for registering your e-mail address with your Depository Participant / Sharepro Services (India) Pvt. Ltd.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our company website, www.indiagelatine.com The document will also be available to you for inspection at the Registered Office of the company during office hours.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is being welcomed by companies like us. Needless to say, you will be, as a member of the company, entitled to be furnished with a copy of the above mentioned documents as required under the provisions of the Companies Act, 1956, free of cost, upon receipt of a requisition from you any time during the year.

We solicit your whole-hearted co-operation in helping the Company implement the e-governance initiatives of the Government in the interest of environment, which is the need of the hour today.

This communication may be ignored, if your e-mail address is already registered with your Depository Participant / Sharepro Services (India) Pvt. Ltd.

Thanking you,

Yours faithfully,

For INDIA GELATINE & CHEMICALS LTD.

VIREN C. MIRANI

MANAGING DIRECTOR

-----x-----x-----x-----x-----

E-COMMUNICATION REGISTRATION FORM

(In terms of circulars dated 21.04.2011 & 29.04.2011
Issued by the Ministry of Corporate Affairs)



India Gelatine & Chemicals Ltd.
703, 'Shilp', C.G. Road, Navrangpura,
Ahmedabad - 380009 Gujarat

Folio No./DP ID & Client ID No. : _____

Name of First Registered holder : _____

Name of Joint holder(s) : _____

E-mail ID (to be registered) : _____

Please register my above e-mail ID in your records for receiving communication in electronic form from the company of which I/we am/are shareholder(s).

Date : _____

Signature _____

(First holder)

Note : Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.



INDIA GELATINE & CHEMICALS LTD.

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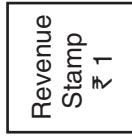
INDIA GELATINE & CHEMICALS LIMITED

Regd. Office : 703/704 'SHILP' 7th Floor, Near Municipal Market,
Sheth C. G. Road, Navrangpura, Ahmedabad - 380 009.

PROXY

I/We _____
of _____
being a Member / Members of India Gelatine & Chemicals Limited
hereby appoint _____ of _____
(or failing him) _____ of _____
(or failing him) _____ of _____

_____ as my / our proxy to attend and vote
for me/us and on my/our behalf at the Fortieth Annual General Meeting
of the Company to be held on Friday, 28th September 2012 and at any
adjournment thereof AS WITNESS are set my hand / our hands this
_____ day of _____ 2012.



Signed by the _____
Regd. Folio No. _____

Notes: The proxy must be deposited at the Registered Office of the
Company not less than 48 hours before the time for holding Meeting.
The Proxy need not be a member of the Company.

Tear Here -----

INDIA GELATINE & CHEMICALS LIMITED

Regd. Office : 703/704 'SHILP' 7th Floor, Near Municipal Market,
Sheth C. G. Road, Navrangpura, Ahmedabad - 380 009.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the
entrance.

I hereby record my presence at Fortieth Annual General
Meeting of the Company to be held at GICEA, Nirman Bhavan,
(Gajjar Hall), Near Law Garden, Ahmedabad - 380 006 on Friday,
28 th September 2012.

Name of the Shareholder/Proxy _____

Reg.Folio No.: _____ Signature of the Shareholder / Proxy.

Note : Only Shareholders of the Company or their proxies will be
allowed to attend the Meeting.