



37TH ANNUAL REPORT - 2008 - 2009



INDIA GELATINE & CHEMICALS LIMITED





NAVINCHANDRA RAMDAS MIRANI
29-01-1935 TO 10-09-2008



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INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman

NALIN KARSONDAS VISSANJI

Managing Director

NAVINCHANDRA RAMDAS MIRANI (UP TO 10.09.2008)

Executive Director

VIREN CHANDRASINH MIRANI

Directors

N.C. MIRANI

M.D. VORA

K.C. DALAL

H. KAWASAKI

S.N. PITTIE

Financial Controller-Cum-

Company Secretary

K.P. VAGADIA

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 & Securities Transfer 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) 28375646



FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Sr.No.		2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
1	Shareholders' Funds	8099	8135	8326	8448	9073
2	Loan Funds	475	508	245	296	150
3	Debt Equity Ratio	1 : 0.06	1 : 0.06	1 : 0.03	1 : 0.04	1 : 0.02
4	Sales & Other Income	5378	6057	6421	6178	8225
5	Profits (Subject to Depreciation & Tax)	464	418	331	614	1687
6	Net Profit / (Loss) Subject to Tax	95	37	(52)	226	1278
7	Profit / (Loss) after Tax & Before Extra Ordinary Items	68	36	(34)	199	845
8	Net Profit / (Loss) after Extra Ordinary Items	68	36	(34)	199	845
9	Book Value of Share (Rs)	95.51	95.94	88.57	89.87	96.52
10	Dividend %	5	—	—	7	20



INDIA GELATINE & CHEMICALS LTD.

NOTICE

NOTICE be and is hereby given that the Thirty Seventh Annual General Meeting of the Members of INDIA GELATINE & CHEMICALS LTD. will be held at GICEA, Nirman Bhavan (Gajjar Hall) Nr. Law Garden, Ahmedabad – 380 006 on Friday, the 25th September, 2009 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, 2009 and the Profit and Loss Account 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. H. Kawasaki, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. M.D. Vora, who retires by rotation but being eligible offers himself for re-appointment.
6. To appoint Auditors for the year 2009-2010 and to fix their remuneration.

By Order of the Board of Directors

K.P. VAGADIA

(Company Secretary)

Place : Ahmedabad
Date : 01-08-2009

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.
2. Proxies in order to be valid must be received by the Company, not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 18-09-2009 to 25-09-2009 (both days inclusive)
4. 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 205-A of the Act.
5. 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.
6. 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,
7. 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.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General meeting. Members are requested to bring their copies of the Annual Report at the meeting.
9. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agents.

Details of Directors seeking reappointment at the forthcoming Annual General Meeting :
(Disclosure pursuant to Clause 49 of Listing Agreement)

	Name	Mr. S.N. Pittie	Mr. H. Kawasaki	Mr. M.D. Vora
1	Date of Birth	18.09.1952	04.12.1963	24.05.1931
2	Date of Appointment	19.07.2006	27.04.2005	22.01.1975
3	Qualification	B.A. (Hons) DERE, MBA (Finance)	Agro Chemist	MA, LLB, DBM
4	Expertise in Specific Functional Area	Industrialist with Rich Business Experience in General	Executive with Rich Business Experience in General	Industrialist with Rich Business Experience in General
5	Directorship in other Public Ltd. Companies	2	—	—
6	Membership of committees in other Public Ltd. Companies	1	—	—



INDIA GELATINE & CHEMICALS LTD.

DIRECTORS' REPORT

The Directors of your Company have pleasure to present their 37th Annual Report with the Audited Statements of Accounts for the year ended 31st March, 2009.

	2008-2009 Rs.	2007-2008 Rs.
FINANCIAL RESULTS		
Profit for the year after deducting all the charges and expenses but before Interest, depreciation and taxation (EBIDTA)	17,27,59,496	6,43,32,704
FROM WHICH ARE DEDUCTED		
Interest & Financial Charges	40,10,861	28,92,773
Depreciation	4,09,44,453	3,88,45,314
Taxation		
Current	4,85,00,000	1,10,00,000
Deferred	(67,55,731)	(1,09,47,347)
Fringe Benefit Tax	15,30,000	13,00,000
	8,82,29,583	4,30,90,740
Resulting in a Net Profit	8,45,29,913	2,12,41,964
Less : Prior year adjustments	—	13,90,710
NET PROFIT FOR THE YEAR	8,45,29,913	1,98,51,254
TO WHICH IS ADDED :		
Surplus Brought Forward	1,32,25,680	1,10,72,697
BALANCE AVAILABLE FOR APPROPRIATION	9,77,55,593	3,09,23,951
APPROPRIATION FOR	1,88,00,000	65,80,000
Proposed Dividend	31,95,060	11,18,271
Corporate Dividend Tax	4,00,00,000	1,00,00,000
General Reserve	3,57,60,533	1,32,25,680
Surplus Carried to next year's account	9,77,55,593	3,09,23,951

Operations :

Over the last few years the management has been striving for an increase in the off take of the company's products and this has shown results during the operations of the year. All the products of the company have shown a marked growth in both production as well as sales which has led to a substantial jump in the top line as well as the profitability of the company.

Improved realization for Ossein & Gelatine as well as the reduction in energy cost have been the major contributors for the higher profitability. The Global Financial Crisis may however put pressure on the performance of the company in the coming year.

In order to meet with the possible crisis, the company will make all efforts to maintain the sales of its products as well as to control costs in various areas of its operations.

Dividends :

Your directors recommend, for your consideration a dividend of Rs. 2/- per share for the year under consideration. This will absorb Rs. 188.00 lacs and Rs. 31.95 lacs towards Dividend Distribution Tax which will be absorbed by the Company.



INDIA GELATINE & CHEMICALS LTD.

Taxation :

The Company has made a provision of Rs. 485 lacs towards current year's Income Tax & Wealth Tax and Rs.15.30 lacs for Fringe Benefit Tax.

Finance :

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

Industrial Relations :

Industrial relations continued to remain cordial and satisfactory.

Directors :

Mr. N.R. Mirani, the Company's Promoter & Managing Director passed away on 10/09/2008. He was the motivating force behind the stupendous growth achieved by IGCL and the pillar & strength of the Company. His was an awe inspiring personality with firm determination & strong commitment, persuasive approach and cheerful disposition.

On his departure the company has lost its friend, philosopher and guide. May almighty rest his soul in eternal peace.

Mr. S.N. Pittie, Mr. H. Kawasaki and Mr. M.D. Vora retire by rotation at the ensuing Annual General Meeting and are 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 that 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., 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 sec.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.

INDIA GELATINE & CHEMICALS LTD.

**Particulars of Employees :**

The information u/s 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended 31st March 2009 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 certificate from the auditors are 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, and 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, Sojitz Corporation, the company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support.

Place : Mumbai
Date : 31-07-2009

For and on behalf of the Board of Directors
Nalin K. Vissanji
Chairman

ANNEXURE TO DIRECTORS REPORT

Information under section 217 (2A) of Companies Act, 1956 in respect of the Employees who draw remuneration of Rs.24,00,000/- or more during the year of Rs.2,00,000/- or more per month, if employed for part of the year.

Sr. No.	Name	Designation	Remuneration Rs.	Qualification	Age Years	Experience Year	Date of Commencement of employment	Last Employment and Designation
1	Mr. N.R.Mirani	Managing Director (up to 10.09.2008)	35,64,424	B.Com	73	53	1 st Sept, 1980	—
2	Mr. V.C.Mirani	Executive Director	78,46,498	B.Com	44	24	21 st July, 2000	—

Note : 1) Nature of Employment : The above employments are contractual

Place : Mumbai
Date : 31-07-2009

For and on behalf of the Board of Directors
Nalin K. Vissanji
Chairman



INDIA GELATINE & CHEMICALS LTD.

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) Additional investments and proposals.

- Modification in ETP Plant & possibility of Biogas generation is under study.
- Usage of Solar Energy is under active study

b) Impact of measures in the above.

On implementation of the above, the Company expects substantial saving in energy consumption.

c) Total energy consumption and energy consumption per unit of production

FORM – A

		2008-09	2007-08
I	Power & Fuel Consumption		
1	Electricity		
a)	Purchased		
	Unit (KWH)	801720	1258300
	Total Amount (Rs.)	56,14,811	72,69,203
	Rate / Unit (Rs.)	7.00	5.78
b)	Own Generation		
1)	Through Diesel Generator	N.A.	N.A.
	Units (KWH)	-	184800
	Unit per Ltr. Of Diesel	-	3.03
	Cost / Unit (Rs.)	-	11.47
2)	Through FO Base Generator		
	Units (KWH)	53940	4666680
	Unit per Ltr. of F.O.	2.89	4.28
	Cost / Unit (Rs.)	8.22	4.44
3)	Through Steam Turbine Generator	N.A.	N.A.
4)	Through Gas Base Generator		
	Units (KWH)	9431440	4336355
	Unit per sm ³ of Gas	3.60	3.58
	Cost / Unit (Rs.)	5.00	3.72
II	a) Furnace Oil / LSHS		
	Quantity (Kgs.)	626521	3175463
	Total Amount (Rs.)	98,68,005	6,04,29,060
	Average Rate per Kgs. (Rs.)	15.75	19.03
	b) Natural Gas (CNG) /SM ³		
	Quantity (sm ³)	6477731	3314869
	Total Amount (Rs.)	9,53,27,964	4,42,67,222
	Average Rate per sm ³ . (Rs.)	14.72	13.35
a.	Consumption per unit of production.		

	Standards	2008-2009		2007-2008	
Product-Unit	MTs	Ossein	Gelatine	Ossein	Gelatine
Electricity	Unit	1158.00	3161.00	1310.26	3594.416
Furnace Oil	Kgs.	1.81	442.00	284.51	2468.03
Natural Gas (CNG)	SM ³	253.00	2007.00	275.50	2495.29

(B) TECHNOLOGY ABSORPTION

FORM 'B'

Research and Development

- For quality improvement of the main products viz. Ossein and Gelatine, Research and Development is carried out by the Company.
- 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.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and outgo is contained in Note No.14 (e),(f),(i) & (j) of Notes on Accounts.

For and on Behalf of the Board of Directors.

Place : Mumbai

Nalin K. Vissanji

Date : 31-07-2009

Chairman