



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 Mepani
(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.

	Standards	2011-2012		2010-2011	
Product-Unit	MTs	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