

# **C. J. Gelatine Products Limited**

**(ISO 9001 : 2000 Certified)**

**29th ANNUAL REPORT 2008 - 2009**

## **BOARD OF DIRECTORS**

### ***CHAIRMAN & MANAGING DIRECTOR***

Sachiv Sahni

### ***DIRECTORS***

Ascharajlal Sahni

B. M. Kararia

Hemant S. Sethi

Charanjit Singh Sodhi

Surinder S. Sahni

### ***AUDITORS***

Trivedi & Reshamwala Associates

Chartered Accountants

Mumbai.

### ***BANKERS***

State Bank of India

### ***REGISTERED OFFICE***

Tokersi Jivraj Wadi,

Acharya Donde Marg,

Sewree(w), Mumbai - 400 015.

### ***FACTORY***

21, New Industrial Area,

Mandideep - 462 084.

Dist. : Raisen (M.P.)

**NOTICE:**

Notice is hereby given that the Twenty Ninth Annual General Meeting of C.J.Gelatine Products Limited will be held at Mancherji Joshi Hall, Athoman Madrassa Annexe, 1<sup>st</sup> Floor, 651-52, Firdoshi Road, Parsi Colony, (Opp.Palamkotte Hall), Dadar (E), Mumbai:400 014 on Saturday the 26<sup>th</sup> September,2009 at 12.30 p.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 the Auditors and Directors thereon.
2. To appoint a Director in place of Shri A. L. Sahni who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

To consider and, if thought fit , to pass with or without modification(s) the following as a Special Resolution:

“ Resolved that Shri Surinder Santparkash Sahni who was appointed as Director by the Board in the casual vacancy pursuant to the provisions of Section 262 of the Companies Act, 1956 and in respect of whom a notice under Section 257 of the Companies Act 1956 has been received from a member, be and is hereby appointed a Director of the Company liable to retire by rotation”

**Regd. Office:**

Tokersi Jivraj Wadi  
Acharya Donde Marg  
Sewree (w), Mumbai: 400 015.

Dated : 27.07.2009

**By Order of the Board of Directors**

**Sachiv Sahni**

**Chairman & Managing Director**

**NOTES:**

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- B. THE RELEVANT EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED UNDER ITEM NO. 5 ABOVE IS ANNEXED HERETO
- C. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- D. MEMBERS ARE REQUESTED TO BRING HIS/HER COPY OF THE ANNUAL REPORT TO THE MEETING.
- E. MEMBERS ARE REQUESTED TO IMMEDIATELY NOTIFY TO THE COMPANY ANY CHANGE IN THEIR ADDRESS.
- E. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM SATURDAY, THE 19<sup>TH</sup> SEPTEMBER, 2009 TO THE SATURDAY THE 26<sup>TH</sup> SEPTEMBER 2009 ( BOTH DAYS INCLUSIVE).

**ANNEXURE:****Explanatory Statement as per the provisions of Section 173(2) of the Companies Act, 1956****Item No.4**

Shri Surinder S. Sahni was appointed as a Director by the Board pursuant to the provisions of Section 262 of the Companies Act, 1956 in the casual vacancy of Shri T. R. Sahni, who would have held office till the conclusion of the ensuing Annual General Meeting but for his resignation on 27-4-2009. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Shri Surinder S. Sahni as a Director. Shri Surinder S Sahni is a matriculate and has varied business experience of over Twenty Five years. Your Directors recommend his appointment as a Director of the Company liable for retirement by rotation.

Shri Sachiv Sahni, Director is deemed to be concerned or interested in the resolution being relative of Shri Surinder Sahni and Shri Surinder S Sahni himself being the appointee.

**Regd. Office:**

Tokersi Jivraj Wadi  
Acharya Donde Marg  
Sewree (W), Mumbai : 400 015.  
**Dated : 27.07.2009**

**By Order of the Board of Directors**

**Sachiv Sahni**  
**Chairman & Managing Director**

**CJ GELATINE PRODUCTS LIMITED**

Details of the Directors seeking appointment/re-appointment in Annual General Meeting convened on 26<sup>th</sup> September, 2009

Name of Director	A.L.Sahni	Surinder S.Sahni
Date of Birth	18-06-38	28-10-1953
Date of Appointment	10-01-1983	27-04-2009
Qualifications	Graduate	Matriculate
Experience in specific Functional Area	Has been engaged in running his own proprietary, manufacturing and trading business for more than three decades.	Business Experience of over 25 years.
List of other Company Directorship held	NIL	NIL
Chairman/Member of the Committee of the Board of the Company	NIL	NIL
Chairman/Member of Committee of the Board of other Companies in which he is a Director.	NIL	NIL
a) Audit Committee	NIL	NIL
b) Remuneration Committee	NIL	NIL
c) Compensation Committee	NIL	NIL

**DIRECTORS REPORT**

To the Members,

Your Directors present herewith their Twenty Ninth Annual Report with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2009.

**FINANCIAL RESULTS**

	(Rs.in lakhs)			
	<u>2008-09</u>		<u>2007-08</u>	
Sales & Other Income	1729.23		1754.31	
Profit before Interest, Depreciation and Tax	36.37		48.03	
Less:				
Interest	3.47		2.45	
Depreciation	18.26	21.73	16.49	18.94
Profit for the year	14.64		29.09	
Expenses relating to previous year	11.90		—	
Profit before tax	2.74		29.09	
Less:				
Provision for Taxes:				
Deferred tax	—		—	
Provision for FBT	0.70			
Income Tax (Current Year)	7.10	7.80		10.15
Net Profit / (Loss) after Tax	(5.06)		18.94	
Balance Brought forward	22.53		3.59	
<b>Carried to Balance Sheet</b>	<b>17.47</b>		<b>22.53</b>	

**TAXATION**

Provision for taxation as per the Income Tax Act, 1961 for the year has been made .

**DIVIDEND**

Your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2009.

**INSURANCE**

The Directors confirm that the fixed assets of the Company are adequately insured against fire and allied risks on a replacement cost basis. The Stocks are also appropriately insured.

**AUDIT COMMITTEE**

The paid up capital of the Company being less than Rs.5 Crores, the provisions of Section 292A of the Companies Act, 1956 are not applicable. However, your Board has constituted an Audit Committee comprising of independent Directors to exercise powers and discharge functions as stipulated under clause 49 of the listing agreement with the Stock Exchange, the details of which are given under the annexed Corporate Governance Report.

**AUDITORS' REPORT**

The points raised by the Auditors in their report are self explanatory and covered in the notes on the Accounts.

**FIXED DEPOSITS**

The Company has not accepted any fixed deposit during the year, nor are there any outstanding deposits, which are due for repayment.

**LISTING OF SHARES**

*The equity shares of the Company are listed on the Stock Exchange at Mumbai and the Company has paid Annual Listing Fees to the Bombay Stock Exchange for the year 2009-10.*

**PARTICULARS OF EMPLOYEES**

The Company has no employee falling within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 as amended in respect of whom the particulars required to be disclosed.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Particulars regarding conservation of Energy, Technology Absorption, Foreign Exchange and Outgo as prescribed under section 217(1)(e) of the Companies Act, 1956 are given in the Annexure to this Report.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Directors Shri A. L. Sahni retires by rotation at the Twenty Ninth Annual General Meeting and being eligible offers himself for re-appointment.

Your Directors regret to inform that Shri T. R. Sahni, Chairman resigned from the Board of the Company w.e.f. 27<sup>th</sup> April' 2009 because of his old age and deteriorating health. The Board placed on record the valuable services rendered by Shri T. R. Sahni during his long association with the Company.

Shri Surinder S. Sahni was appointed by the Board pursuant to the provisions of Section 262 of the Companies Act, 1956 as a Director of the Company in place of Shri T. R. Sahni w.e.f. from 27<sup>th</sup> April' 2009. Shri Surinder S. Sahni will hold office till this Annual General Meeting at which Shri T. R. Sahni would have retired by rotation but for his resignation from the Board. Your Directors recommend the appointment of Shri Surinder S. Sahni as a Director on the Board of the Company.

**CORPORATE GOVERNANCE:**

Your Company has complied with the mandatory provisions of clause 49, relating to Corporate Governance, of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance forming part of the Directors' Report and a certificate from the Company's Auditors confirming the Compliance of conditions on Corporate Governance is included in the Annual Report.

**SECRETARIAL COMPLIANCE CERTIFICATE**

In accordance with the provisions of Section 383A of the Companies Act, 1956 read with the Companies

(Compliance Certificate) Rules 2001, a certificate from Company Secretary in Whole Time Practice is annexed to this report regarding Secretarial Compliance

**AUDITORS**

M/s Trivedi & Reshamwala Associates, Mumbai retire as Auditors and being eligible, offer themselves for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956 the board of directors hereby state that:

1. In preparation of the annual accounts, applicable accounting standards have been followed (along with proper explanation relating to material departures) and that there are no material departures.
2. They have selected the accounting policies and applied 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 period.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. They have prepared the Annual Accounts on a going concern basis.

**INDUSTRIAL RELATIONS**

The relationship between the Management and Employees of the Company remained cordial. The Company takes care of their welfare to the best of its ability.

**APPRECIATION**

Your Directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants and advisors for their continued support throughout the year. Your Directors also sincerely acknowledge the significant contribution made by all the employees for their dedicated services to the Company. Yours Directors look forward to their continued support.

**ACKNOWLEDGEMENT**

Your Board expresses its appreciation for the continuing co-operation guidance and support received from the Bankers, State Bank of India, Government of Madhya Pradesh and other authorities. Your Board is also grateful to the stakeholders, agents, stockiest, customers and suppliers for their continued support and places on record its co-operation and devotion to duty of the employees at all levels in the organisation.

**For and on behalf of the Board**

Place : Mumbai

Dated : 27/07/2009

**SACHIV SAHNI**

**CHAIRMAN & MANAGING DIRECTOR**

**ANNEXURE TO DIRECTORS' REPORT 2008-2009**

Particulars required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988.

**A. CONSERVATION OF ENERGY**

Every care has been taken for conservation of Energy when the Manufacturing process was in operation.

**B. TECHNOLOGY ABSORPTION**

The Company has not set up a research and development unit since the need was not felt.

**C. FOREIGN EXCHANGE EARNING AND OUT-GO**

During the year under report, the Company has neither earned nor spent any foreign exchange.

**FORM - A**

Form for disclosure with respect to conservation of energy.

<b>A) POWER AND FUEL CONSUMPTION</b>	<b><u>2008-09</u></b>	<b><u>2007-08</u></b>
1. Electricity Units(000) kwhs	3605.100	3482.680
Total Amount (Rs.in Lacs)	167.66	160.03
Average cost per unit (Rs)	4.65	4.60
2. Steam Coal		
Quantity (Tonnes)	4759.800	4724.155
Total Cost (Rs.in Lacs)	212.80	170.41
Average cost per tonne in (Rs)	4470.78	3659.07
3. Diesel H.S.		
Quantity (000 Litres)	219.861	188.609
Total Amount(Rs.In Lacs)	83.11	67.09
Average cost per litre (Rs.)	37.80	35.57
<b>B) CONSUMPTION PER UNIT OF GELATINE PRODUCTION</b>		
1. Electricity (KWH per Tonne)	6091	5837
2. Coal (Kilo per Tonne)	8042	7918
3. Diesel (Litre per Tonne)	371.46	316.15

**SECRETARIAL COMPLIANCE CERTIFICATE**

The Members,  
C.J.Gelatine Products Limited  
C.Jairam Mills Compound,  
Tokersi Jivarajwadi,,  
Sewree,  
Mumbai 400 015.

I have examined the registers, records, books and papers of M/s. C. J. Gelatine Products Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2009 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under, except in case of delay with additional fees.
3. the Company, being public limited company, comments are not required
4. the Board of Directors duly met four times i.e. on 28<sup>th</sup> April, 2008, 28<sup>th</sup> July, 2008, 27<sup>th</sup> October, 2008, and 30<sup>th</sup> January, 2009 and in respect of each meeting proper notice was given and the proceedings recorded properly in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members and Share Transfer Registers during the financial year between 20<sup>th</sup> September, 2008 and 27<sup>th</sup> September, 2008 (both days inclusive)
6. the Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2008 was held on 27<sup>th</sup> September, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. no Extra Ordinary General Meeting(s) was held .
8. the Company has not advanced any loan to its directors or persons or firms or companies referred to in Section 295 of the Act.
9. the Company has not entered into any contract specified in Section 297 of the Act.
10. the Company has made necessary entries in the register maintained under Section 301 of the Act.
11. the Company was not required to obtain approval from the Board of Directors, Members or Central government, as the case may be, since there was no instance falling within the purview of Section 314 of the Act.
12. the Committee appointed by the Board of the Company has approved issue of duplicate share certificates
13. The Company
  - (i) has delivered all certificates on lodgement of securities for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) was not to deposit any amount in a separate Bank account as no dividend was declared
  - (iii) was not to post any warrants to members of the Company as no dividend was declared
  - (iv) was not required to transfer any amount to Investor Education and Protection Fund as it does not have any amount in unpaid account or application money due for refund or matured deposits or matured debentures or interest accrued thereon which have either remained unclaimed or unpaid for a period of seven years.
  - (v) has duly complied with the requirements of Section 217 of the Act.
14. the Board of Directors of the Company is duly constituted and the appointment of Directors,/Additional Directors have been duly made.
15. the appointment of Managing Director/Whole Time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act
16. the Company has not appointed any sole selling agent.
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board,

Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act

18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. the Company has not issued any shares, debentures or other securities
20. the Company has not bought back any shares
21. the Company has not redeemed any preference shares or debentures.
22. the Company has not kept in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the Company has not invited/accepted any deposit including any unsecured loan falling within the purview of Section 58A of the Act .
24. the amount borrowed by the Company from directors, member, public financial institutions, banks and others is/are within the borrowing limits of the Company
25. the Company has made loans and investments or given guarantee or provided securities to other bodies corporate in compliance with the provisions of the Act and made necessary entries in the register kept for that purpose.
26. the Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another .
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the company.
28. the Company has not altered the provisions of the Memorandum with respect to the name of the Company.
29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company.
30. the Company has not altered its Articles of Association
31. there was no prosecution initiated against or show cause notice received by the Company and no fine or penalty or any other punishment was imposed on the Company for offences under the Act.
32. the Company has not received any money as security from its employees.
33. the Company was not required to make any deduction or contribute towards Provident Fund .

Place : Mumbai  
Dated: 27<sup>th</sup> July, 2009

Sd/-  
P. K. B. Nambiar  
Company Secretary  
C.P. 1090

#### ANNEXURE 'A'

##### Registers maintained by the Company

1. Register of Members under Section 150 of the Companies Act, 1956
2. Register of Transfers
3. Register of Directors under Section 303 of the Companies Act, 1956
4. Register of Directors' Shareholding under Section 307 of the Companies Act, 1956
5. Register of Directors' Attendance
7. Register of Contracts

#### ANNEXURE 'B'

##### Forms and Returns filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31<sup>st</sup> March, 2009.

1. An1. Form-20B - Annual Return under Section 159 of the Companies Act, 1956 as on 27-09-2008 filed on 02-12-2008.
2. Ba2. Form-23AC & 23ACA - Balance Sheet etc. under Section 220 of the Companies Act, 1956 as at 31-03-2008 filed on 27-10-2008.
3. Form DIN3 filed on 21-11-2008.

Place : Mumbai  
Dated: 27<sup>th</sup> July, 2009

Sd/-  
P.K.B.NAMBIAR  
Company Secretary  
C.P.1090

**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company believes in good corporate governance, transparency and ethical conduct in all its activities aimed at strengthening the confidence among shareholders, customers, employees and other stakeholders. Your Company has always been conscious of ensuring transparency, accountability and responsibility while dealing with its employees, stakeholders, and the customers.

The following report on Corporate Governance has been provided pursuant to clause 49 of the Listing agreement:

**2. BOARD OF DIRECTORS****A) Composition of Board**

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors who have in depth knowledge of the business and industry. The composition of the Board of Directors of the Company is in consonance with Clause 49 of the listing agreement with the Stock Exchange.

The Board as on 31<sup>st</sup> March, 2009 has a total strength of Six Directors comprising of three Executive and three are Independent Directors.

**B) Non executive Directors' compensation and Disclosures:**

Non-Executive Directors are not paid any remuneration except sitting fees. The details of sitting fees paid to them are separately mentioned in this report.

**C) Other Provisions as to Board and Committees:**

No Director is a member in more than ten Committees and Chairman in more than five Committees, across all the Companies in which they are Directors.

**Attendance at Board Meetings**

During the year, the Board of Directors met four times on the following dates: 28<sup>th</sup> April, 2008, 28<sup>th</sup> July, 2008, 27<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009.

Sr. No.	Name	Category	Attendance at Board Meetings		Directorships in other public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at A.G.M. held on 24 <sup>th</sup> September, 2008
			Held	Attended		Chairman	Member	
1.	Sachiv Sahni	Managing Director	4	4	-	-	-	YES
2.	*T.R.Sahni	Promoter & Chairman	4	4	-	-	-	YES
3.	A.L.Sahni	Promoter & Whole Time Director	4	3	-	-	-	YES
4.	B.M.Kararia	Independent Director	4	4	-	-	-	YES
5.	Charanjit Singh Sodhi	Independent Director	4	3	-	-	-	YES
6.	Hemant Sethi	Independent Director	4	3	-	-	-	YES

\* Shri T.R.Sahni, Chairman resigned from the Board with effect from 27-04-2009.

Committee of Directors includes Audit Committee and Share Transfer Committee. Independent Director means a Director defined as such under clause 49 of the listing agreement.

Details of Remuneration paid to Executive and Non-executive Directors for the year ended March 31<sup>st</sup> 2009 are given below:

**a) Non- executive Directors:**

Sr.No.	Name of Director	Sitting Fees paid (Rs.)	No. of shares held (Face Value Rs.10/- each)
*1.	B.M.Kararia	52,500	498
*2.	Hemant Sethi	17,500	-
*3.	Charanjit Singh Sodhi	15,000	-

\*Independent Directors

**b) Executive Directors:**

(Amount in Rupees)		
Sr.No.	Name of Director	Remuneration
1.	A.L.Sahni	NIL
2.	T.R Sahni	NIL
3	Sachiv Sahni	NIL

**D) Code of Conduct:**

The Company has laid down a code of conduct for the Directors and Senior Management personnel of the Company. The Code of Conduct has been posted on the Company's website, : [www.cjgelatineproducts.org](http://www.cjgelatineproducts.org). The members of the Board and Senior Management Personnel have affirmed compliance to the said Code of Conduct. A declaration to this effect, duly signed by the Managing Director, is provided as 'Annexure - I' to this Report.

**3. COMMITTEES OF THE BOARD:**

The company has two Committees of the Board of Directors viz.

**(i) Audit Committee.**

**(ii) Share Transfer Committee.**

All decisions pertaining to the constitution of Committees, appointment of members and fixing the terms of reference for committee members are taken by the Board of Directors. Details of the role and composition of these committees, including the number of meetings held during the year and the attendance are provided below:

**(i) Audit Committee:**

The Committee comprises of Shri B.M.Kararia, Hemant Sethi, and Charanjit Singh Sodhi. Shri B.M.Kararia is the Chairman of the Committee.

The members of the Audit Committee are financially literate and the Chairman possesses expertise in finance and accounting because of his experience in Indian Revenue Service.

The Audit Committee met four times during the year on 28<sup>th</sup> April, 2008, 28<sup>th</sup> July, 2008, 27<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009. The details of number of meetings attended by each member are as follows:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	SHRI B.M.KARARIA	4	4
2.	SHRI HEMANT SETHI	4	3
3.	SHRI CHARANJIT SINGH SODHI	4	3

The role of the Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

**(ii) Share Transfer Committee:**

The Share Transfer Committee comprises of Shri B.M.Kararia and Shri Sachiv Sahni. The Share Transfer Committee is authorized to consider and approve the physical share transfers, transmission, transposition, issue of duplicate certificates, consolidation, split, renewal of share certificates etc. The meetings of the Share Transfer Committee were held thirteen times during the year ended on 31st March, 2009. The details of attendance are as below:

Sr.No.	Name of Members	No. of meetings held	No of meetings attended
1.	Shri B. M. Kararia	13	13
2.	Shri Sachiv Sahni	13	13

The Company has appointed M/s. Adroit Corporate Services Pvt. Ltd. as its Share Transfer Agent.

The Committee also deal with the matters relating to monitoring and redressal of complaints from shareholders relating to share transfers, non receipt of Annual Report, dividend etc.

**Name and designation of compliance officer**

**Mr. R. Murugesan, Secretarial Officer.**

**Status of Investor complaints**

The Company has not received any letters/complaints relating to share transfers, non receipt of Annual Report, dividend etc. from the investors during the year ended 31.03.2009.

**4. BOARD PROCEDURE**

The Board meetings of the Company are conducted on the basis of the agenda which is prepared in consultation with the Chairman of the Board. All items are backed by background materials and relevant supporting which are circulated in advance.

**Information Supplied to the Board:**

The Board of Directors has complete access to the information within the Company, which, *inter alia*, includes:

- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wages agreement, implementation of Voluntary Retirement Scheme etc.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

**5. (a) General Body Meetings:**

Date, Time and Venue of Current Annual General Meeting :

Saturday, the 26th September, 2009 at 12.30 P.M

Mancherji E Joshi Hall, Athornan Madressa Annexe

651-52, Firdoshi Road ( Opp. Palamkote Hall)

Parsi Colony , Dadar, Mumbai: 400 014.

Location and time where last three Annual General Meetings were held:

Year	Date	Time	Location
2006	23/09/2006	12.30 P.M.	Mancherji E Joshi Hall Athornan Madressa Annexe, 1 <sup>st</sup> Floor 651-52, Firdoshi Road, ( Opp. Palamkote Hall), Parsi Colony, Dadar (E), Mumbai : 400014.
2007	29/09/2007	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 <sup>st</sup> Floor, 651-52, Firdoshi Road, ( Opp. Palamkote Hall), Parsi Colony, Dadar (E), Mumbai : 400014.
2008	27/09/2008	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 <sup>st</sup> Floor, 651-52, Firdoshi Road, ( Opp. Palamkote Hall), Parsi Colony, Dadar (E), Mumbai : 400014

**(b) Resolutions through Postal Ballot**

No resolution was put through Postal Ballot during the year.

**6. DISCLOSURES:****a) Related Party Transactions:**

Transactions with the related parties are disclosed in Note 7 of Schedule "Q" forming part of the Accounts in terms of Accounting standard AS-18. However, these transactions are not likely to have any potential conflict with the interest of the Company. The Audit Committee has reviewed these transactions as required under clause 49 of the Listing Agreement.

**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 to the extent applicable.

**c) Disclosure of Risk management:**

Your Company is well aware of risks associated with its business operations. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk mitigation measures and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

**d) Management Discussion and Analysis:**

Management Discussion and Analysis Report forms part of Annual Report.

**e) Disclosure regarding appointment or re-appointment of Directors:**

The detailed profiles of Directors retiring by rotation are provided in the Annexure to the Notice of the Annual General Meeting.

**7. CEO / CFO Certification:**

In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO /CFO Certification is provided as Annexure-II to this Report.

**8. COMPLIANCE BY THE COMPANY:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.

**9. MEANS OF COMMUNICATION:**

- a) The quarterly and annual financial results are usually published in The Free Press Journal and Nav Shakti.
- b) The Company has its own website viz. [www.cjgelatineproducts.org](http://www.cjgelatineproducts.org) and the financial results and quarterly shareholding pattern along with other relevant information useful to the investors are uploaded on the website regularly.
- c) At present half yearly report on accounts is not being sent to each household of the shareholders.
- d) The Management Discussion and Analysis is given separately in this Annual Report.

**10. GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting: Saturday, the 26th of September, 2009 at 12.30 p.m.

Venue : Mancherji E Joshi Hall, Athornan Madrassa Annexe, 1<sup>st</sup> Floor, 651-52, Firdoshi Road, Parsi Colony, ( Opp. Palamkote Hall), Dadar(E), Mumbai - 400 014.

Book Closure : From Saturday, the 19<sup>th</sup> of September, 2009 to Saturday, the 26<sup>th</sup> of September, 2009 (Both days Inclusive)

Dividend : Nil

Registered Office : Tokersi Jivraj Wadi, Acharya Donde Marg, Sewri (W), Mumbai:400 015.

Registrar & Share Transfer Agent: Adroit Corporate Services Pvt. Ltd.

Listing of Stock Exchange: Mumbai Stock Exchange.

Stock Code: 507515

ISIN allotted to Equity Shares : INE 557 D01015

Our Website : [www.cjgelatineproducts.org](http://www.cjgelatineproducts.org)

**Stock Market Data**

Monthly high and low prices of Equity Shares of the Company quoted at Stock Exchange, Mumbai during the year 2008-09.

Month	High	Low
April, 2008	09.80	07.56
May, 2008	09.50	07.42
June, 2008	09.12	05.91
July, 2008	07.67	05.64
August, 2008	07.88	06.62
September, 2008	08.19	07.42
October, 2008	07.94	06.66
November, 2008	06.66	06.66
December, 2008	07.45	06.45
January, 2009	08.10	06.75
February, 2009	07.70	06.29
March, 2009	08.30	07.28

**Distribution of Shareholding as on 31<sup>st</sup> March, 2009**

No. of Equity Shares Held	No. of share holders	% of Share Holders	No. of Shares Held	% of Share Holding
1 to 500	4471	93.85	571787	11.88
501 to 1000	167	3.51	138955	2.89
1001 to 2000	60	1.26	94194	1.96
2001 to 3000	22	0.46	56162	1.17
3001 to 4000	5	0.10	16369	0.34
4001 to 5000	8	0.17	38285	0.79
5001 to 10000	13	0.27	97665	2.03
10001 & Above	18	0.38	3799883	78.94
Total	4764	100.00	4813300	100.00

**Categories of Shareholding as on 31<sup>st</sup> March, 2009**

No. of shares held	No. of Shareholders	% of Shareholders	No of Shares held	%
Individuals	4419	92.76	2817743	58.54
Bodies Corporate	53	1.11	1934807	40.20
FII's	-	-	-	-
NRI/OCBs	289	6.07	60150	1.24
Mutual Funds	1	0.02	300	0.01
Bank s	2	0.04	300	0.01
	4764	100.00	4813300	100.00

Dematerialisation of Shares & Liquidity	: 39.55% of Equity Shares have been dematerialised As on 31 <sup>st</sup> March, 2009.
Details on use of Public Funds obtained	: No fund has been raised from Public in the last Three years.
Present Location	: Mumbai and Mandideep near Bhopal.
Investor Correspondence	: Adroit Corporate Services Pvt. Ltd.

**NON –MANDATORY REQUIREMENTS:-****(a) The Board:**

There is no policy at present to determine the tenure of Independent Directors.

**(b) Remuneration Committee:**

The Company has not yet constituted a Remuneration Committee as none of the Board Members is paid remuneration.

**(c) Shareholder Rights:**

At present, the Company is not sending half-yearly financial performance to the each household of shareholders. However, quarterly financial results are published in news papers and are also available on the Company's website.

**(d) Audit Qualifications:**

There are no qualifications in the Auditors' Report on the financial statements for the financial year ended 31<sup>st</sup> March, 2009.

**(e) Training of Board Members:**

As the members of the Board are eminent and experienced professionals, necessity to formulate a policy for their training has not been felt.

**(f) Mechanism for evaluating Non-Executive Board Members:**

At present, no policy has been framed for evaluation of Non-Executive Directors.

**(g) Whistle Blower Policy:**

Though there is no formal Whistle-blower policy, the Company takes cognizance of complaints made and suggestions given by the employees and wherever necessary, suitable corrective steps are taken.

**Annexure I :-****DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT****DECLARATION**

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., to the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Directors and the Senior management personnel have affirmed compliance with the Code of Conduct as laid down by the Company as applicable to them for the financial year ended on 31st March, 2009.

**SACHIV SAHNI****MANAGING DIRECTOR**Date: 27<sup>th</sup> July, 2009.

Place: Mumbai.

**Annexure II :-****CEO/CFO CERTIFICATION**

We have reviewed the financial statements, read with the cash flow statement of C.J. Gelatine Products Ltd, for the year ended March 31, 2009 and that to the best of our knowledge and belief, we state that:

- a) (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 together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, 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 these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Dated : 27<sup>th</sup> July, 2009

**Ajay T. Pawar**  
Chief Financial Officer

**Sachiv Sahni**  
Chairman & Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

To the Members of C.J. Gelatine Products Limited

1. We have reviewed the implementation of Corporate Governance procedures by C. J. Gelatine Products Limited (the Company) during the year ended 31<sup>st</sup> March, 2009 with the relevant records and documents maintained by the Company furnished to us for our review and the report on corporate governance as approved by the Board of Directors.
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. 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.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been Complied with in all material respect by the Company.

**For TRIVEDI & RESHAMWALA ASSOCIATES  
CHARTERED ACCOUNTANTS**

**HITESH RESHAMWALA**  
PROPRIETOR  
Membership No. : 41723

Place : Mumbai.  
Dated : 27<sup>th</sup> July, 2009.

**AUDITORS' REPORT****REPORT OF THE AUDITORS,**

To the Members,

C.J. Gelatine Products Ltd.,

Mumbai.

We have audited the attached Balance Sheet of M/s C. J. Gelatine Products Limited as at 31st March 2009, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. 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.

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 misstatement. An audit also 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order, on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion the Balance Sheet, Profit and Loss Account 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 Companies Act, 1956.
- (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes on accounts (Schedule 'Q') along with clause 8(a) and (b) of Annexure to Audit Report give the information required by the Companies Act, 1956, 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, 2009,
  - (b) In the case of the Profit and Loss Account, the Loss of the Company for the year ended on that date,
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For TRIVEDI & RESHAMWALA ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**(HITESH RESHAMWALA)**

**PROPRIETOR**

PLACE : MUMBAI.

DATED : 27.07.2009.

Membership No.41723

**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009 OF C. J. GELATINE PRODUCTS LTD.**

1. (a) The Company is in the process of updating its fixed assets register to show full particulars including quantitative details and situation of fixed assets.  
(b) The Company has not carried out physical verification of its fixed assets during the year. However, we have been informed that the physical verification of fixed assets will be carried out once the fixed assets register is updated.  
(c) During the year, the Company has not disposed off a substantial part of the fixed assets.
2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loans from two parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year ended balance of the aforesaid loans was Rs.33.71 lakhs.  
(b) In our opinion, the rate of interest and other terms and conditions on which unsecured short loans have been taken from companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.  
(c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.  
(d) There are no overdue amounts of loans taken from companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of the audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, all transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price 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 public which are contrary to the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law

Board relating to the deposits accepted from the public.

7. We have been informed that Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
8. (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax and other dues with appropriate authorities. As explained to us, the Company is yet to pay arrears of Rs.30,85,326 /- outstanding on account of Employer's Contribution to ESIC, Rs.10,87,475/- towards employer's contribution of Provident Fund and Sales Tax amounting to Rs.38,67,982 /- along with Rs.1,02,060/- on account of Fringe Benefit Tax. An amount of Rs.53,085/- is outstanding on account of TDS(contractors). Out of the above, the amount towards ESIC and Provident Fund dues are outstanding for period exceeding six months from the date they became payable.
- (b) According to the records of the Company, the dues of Income Tax, Central Excise and Sale Tax which have not been deposited with appropriate authorities on account of disputes and the forum where the disputes are pending are as under:

Sr. No.	Name of Statute	Nature of the dues	Amount (Rs.in lakhs)	Forum where dispute is pending
1(a)	Income Tax	Income Tax Demand	35.12	Appeal to the Commissioner of Income Tax (Appeals) VI
(b)	Income Tax	Income Tax Demand Rectification pending	3.12	Rectification pending before Assessing Officer
2.	Central Excise & Customs Act	CENVAT Credit of Service Tax	5.78	Commissioner Appeal, Central Excise, Bhopal.
3.	Central Excise & Customs Act	Excise-duty demands	5.33	Customs, Excise and service Tax Appellate Tribunal, Delhi.

9. In our opinion, the accumulated losses of the Company as at the end of the financial year does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the financial year under audit.
10. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion, the Company is not a chit fund company or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
12. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
13. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
14. The Company has not taken any term loan during the year.
15. According to the information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment. No long-term funds have been used to finance short-term assets.

16. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures during the year, and accordingly, the question of creating security in respect thereof does not arise.
18. The Company has not made any public issues during the year and accordingly, the question of disclosing the end use of money raised by public issue does not arise.
19. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For TRIVEDI & RESHAMWALA ASSOCIATES  
CHARTERED ACCOUNTANTS,**

**(HITESH RESHAMWALA)**

**PROPRIETOR**

**Membership No.41723**

**PLACE : MUMBAI.**

**Date : 27.07.2009.**

**BALANCE SHEET AS AT 31ST MARCH 2009**

	<b>SCHEDULE NO.</b>	<b>AS AT 31.03.2009</b>		<b>AS AT 31.3.2008</b>	
		<b>RUPEES</b>	<b>RUPEES</b>	<b>RUPEES</b>	<b>RUPEES</b>
<b><u>SOURCES OF FUNDS:-</u></b>					
<b>SHARE HOLDERS' FUND</b>					
Share Capital	(A)		48,133,000		48,133,000
Reserves & Surplus	(B)	113,405,382		119,562,353	
			161,538,382		167,695,353
<b>LOAN FUNDS</b>					
Secured Loans	(C)				
Unsecured Loans		3,508,569	3,508,569	3,797,043	3,797,043
<b>TOTAL</b>			<b>165,046,951</b>		<b>171,492,396</b>
<b><u>APPLICATION OF FUNDS:-</u></b>					
<b>FIXED ASSETS</b>					
Gross Block	(D)	253,297,855		250,347,436	
Less: Depreciation		115,597,166		108,119,308	
Net Block			137,700,689		142,228,128
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	(E)	69,146,280		72,404,195	
Sundry Debtors	(F)	7,899,256		14,684,664	
Cash & Bank Balances	(G)	3,112,021		3,508,640	
Loans and Advances	(H)	20,207,099		17,066,500	
			100,364,655		107,663,999
Less: CURRENT LIABILITIES & PROVISIONS	(I)		73,018,393		78,399,731
<b>NET CURRENT ASSETS</b>			<b>27,346,262</b>		<b>29,264,268</b>
<b>TOTAL</b>			<b>165,046,951</b>		<b>171,492,396</b>

Note : Notes as per Schedule Q and other Schedules referred to herein form an integral part of these accounts.

As per our Report of even date  
**For TRIVEDI & RESHAMWALA ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board  
**ASCHARAJLAL SAHNI** DIRECTOR

**(HITESH RESHAMWALA)**  
PROPRIETOR

**SACHIV SAHNI**  
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 27/07/2009

PLACE : MUMBAI  
DATED : 27/07/2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2009**

	<b>SCHEDULE NO.--</b>	<b>YEAR ENDED 31.03.2009 RUPEES</b>	<b>YEAR ENDED 31.03.2008 RUPEES</b>
<b>INCOME</b>			
Sales & Services	(J)	172,692,270	175,260,963
Other Income	(K)	231,021	169,612
Increase/ (Decrease) in stocks	(L)	(3,519,938)	770,970
		<u>169,403,353</u>	<u>176,201,545</u>
<b>EXPENDITURE</b>			
Raw Material Consumed	(M)	71,165,410	80,476,051
Excise Duty		13,540,560	18,609,597
Administration, Selling & Other Expenses	(N)	81,058,743	72,313,265
Interest	(O)	347,467	244,791
Depreciation	(P)	1,826,418	1,649,226
		<u>167,938,598</u>	<u>173,292,930</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<u>1,464,755</u>	<u>2,908,615</u>
Less: Expenses relating to previous year		<u>1,190,287</u>	-
Profit/(Loss) before tax		274,468	2,908,615
Provision for taxation(Current Year)	710,000		
Provision for FBT 08-09	70,000		
Provision for taxation(Deferred Tax)	0	780,000	1,015,000
Profit / (Loss) after tax		(505,532)	1,893,615
Add: Brought from Previous Year		2,252,522	358,907
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>1,746,990</u>	<u>2,252,522</u>
<b>APPROPRIATIONS:</b>			
Proposed Equity Dividend		-	-
Tax on Proposed equity Dividend		-	-
<b>Balance carried to Balance Sheet</b>		<u>1,746,990</u>	<u>2,252,522</u>

**Note :** Notes as per Schedule Q and other Schedules referred to herein form an integral part of these accounts.

As per our Report of even date  
**For TRIVEDI & RESHAMWALA ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board  
**ASCHARAJLAL SAHNI** DIRECTOR

**(HITESH RESHAMWALA)**  
PROPRIETOR

**SACHIV SAHNI**  
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 27/7/2009

PLACE : MUMBAI  
DATED : 27/07/2009

	AS AT 31.03.09 RUPEES	AS AT 31.3.08 RUPEES
<b><u>SCHEDULE (A) - SHARE CAPITAL</u></b>		
<b>Authorised</b>		
70,00,000 equity share of Rs. 10/- each	<u>70,000,000</u>	<u>70,000,000</u>
<b>Issued Subscribed and Paid up</b>		
4813300 (Prev. Year 4813300) equity shares of Rs. 10. each	<u>48,133,000</u>	<u>48,133,000</u>
(Net of 11100 (Previous Year 11100) equity share of Rs.10/- each forfeited during 1998-99 for non payment of allotment money)		
	<u>48,133,000</u>	<u>48,133,000</u>
<b><u>SCHEDULE (B) - RESERVES &amp; SURPLUS</u></b>		
Share Forfeited Account	58,250	58,250
Revaluation Reserve		
Revaluation of Fixed Assets Rs. 156,151,433		
Less : Depreciation on the amt on Revaluation Rs. 456,91,506	<u>110,459,927</u>	<u>116,111,367</u>
Investment Allowance Reserve	1,045,825	1,045,825
General Reserve	94,389	94,389
Profit & loss Account	<u>1,746,991</u>	<u>2,252,522</u>
	<u>113,405,382</u>	<u>119,562,353</u>
<b><u>SCHEDULE (C) - LOANS</u></b>		
<b>1. Secured:</b>	<u>Nil</u>	<u>Nil</u>
<b>2. Unsecured :</b>		
From Director	1,542,290	1,742,290
From S. P. Sahni Trust	1,828,470	1,828,470
Others	<u>137,809</u>	<u>226,283</u>
	<u>3,508,569</u>	<u>3,797,043</u>

**SCHEDULE-(D) FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 31/3/2008 Rs.	ADDITIONS Rs.	DEDU- CTIONS Rs.	UPTO 31/3/2009	UPTO 31/3/2008 Rs.	ON DEDU- CTIONS Rs.	FOR THE YEAR Rs.	TOTAL 31/3/2009 Rs.	AS AT 31/3/2009 Rs.	AS AT 31/3/2008 Rs.
Leasehold Land	28,827,180	-	-	28,827,180	-	-	-	-	28,827,180	28,827,180
Building Factory	82,695,975	296,797	-	82,992,772	30,618,888	-	2,766,640	33,385,528	49,607,244	52,077,087
Staff Quarters	4,021,200	-	-	4,021,200	480,251	-	65,546	545,797	3,475,403	3,540,949
Plant & Machinery	130,288,823	2,650,078	-	132,938,901	73,649,913	-	4,363,806	78,013,719	54,925,182	56,638,910
Furniture & Fixtures	618,587	-	-	618,587	507,064	-	20,185	527,249	91,338	111,523
Office Equipments	907,246	-	-	907,246	746,867	-	22,308	769,175	138,071	160,379
Computer	1,014,297	3,544	-	1,017,841	717,146	-	119,565	836,711	181,130	297,151
Vehicles	997,403	-	-	997,403	665,070	-	86,041	751,111	246,292	332,333
Laboratory Equipments	758,585	-	-	758,585	595,480	-	22,688	618,168	140,417	163,105
Building Construction	36,952	-	-	36,952	36,091	-	139	36,230	722	861
Machinery										
Typewriter	9,464	-	-	9,464	8,113	-	188	8,301	1,163	1,351
Airconditioner	171,724	-	-	171,724	94,425	-	10,752	105,177	66,547	77,299
<b>Total</b>	<b>250,347,436</b>	<b>2,950,419</b>	<b>-</b>	<b>253,297,855</b>	<b>108,119,308</b>	<b>-</b>	<b>7,477,858</b>	<b>115,597,166</b>	<b>137,700,689</b>	<b>142,228,128</b>
Previous Year	244,697,774	5,649,662	-	250,347,436	100,818,642	-	7,300,666	108,119,308	142,228,128	143,879,132

	AS AT 31.3.2009 RUPEES	AS AT 31.3.2008 RUPEES
<b><u>SCHEDULE (E)- INVENTORIES</u></b>		
( As Valued and certified by Management ) ( refer note No. A-4 )		
a) Raw Materials	1,640,738	1,143,635
b) stocks-in-process	39,681,662	47,606,940
c) Finished Goods	22,523,220	18,117,880
d) Packing Materials, stores and spares	5,224,835	4,938,205
e) Loose Tools	25,880	25,880
f) Coal	39,900	548,975
g) Diesel	10,045	22,680
	<u>69,146,280</u>	<u>72,404,195</u>
<b><u>SCHEDULE (F)- SUNDRY DEBTORS</u></b>		
( unsecured considered good )		
a) Outstanding for a period exceeding 6 months	6,378,208	8,013,703
b) Others	1,521,048	6,670,961
	<u>7,899,256</u>	<u>14,684,664</u>
<b><u>SCHEDULE (G) - CASH &amp; BANK BALANCES</u></b>		
a) Cash on Hand	1,807,821	1,877,527
b) Balances With Scheduled Banks		
i) In Current Accounts	1,303,200	1,630,113
ii) In Fixed Deposit Accounts	1,000	1,000
	<u>3,112,021</u>	<u>3,508,640</u>
<b><u>SCHEDULE (H) -LOANS &amp; ADVANCES</u></b>		
(Unsecured considered good )		
a) Balances with Central Excise	414,321	793,913
b) Deposit with others	4,442,546	4,441,046
c) Advances recoverable in cash or in kind or for value to be received	15,350,231	11,831,541
d) Advance Income tax (Net of Provisions)	—	—
	<u>20,207,099</u>	<u>17,066,500</u>
<b><u>SCHEDULE (I) - CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
a) Sundry Creditors	52,020,054	52,920,462
b) Other Liabilities	24,755,937	22,847,632
c) Income Tax Provision ( Deferred Tax )	—	—
d) Provision for Income Tax (Net of Advance Income Tax)	(3,757,598)	2,631,637
	<u>73,018,393</u>	<u>78,399,731</u>

	Year Ended 31.03.2009		Year Ended 31.3.2008	
	QUANTITY	VALUE	QUANTITY	VALUE
	KGS	RUPEES	KGS	RUPEES
<b><u>SCHEDULE (J) - SALES</u></b>				
Gelatine ( Domestic )	572515.000	106,811,159	605200.000	116,392,550
Add: Excise Duty		13,540,560		18,609,597
	572515.000	120,351,719	605200.000	135,002,147
Less : Gelatine Return	-18799.000	(4,099,624)	12126.700	2,437,297
	553716.000	116,252,095	502943.000	132,564,850
Add: Sales Tax including Addl. Tax & Export Tax Insurance		3,787,649		4,400,893
	553716.000	120,039,744	593073.300	136,965,743
Di-Calcium Phosphate (DCP)	2570000.000	52,951,645	2022250.000	38,245,252
Less : DCP Return	-16000.000	(351,648)		
	2554000.000	52,599,997	2022250.000	38,245,252
Add: Sales Tax including Addl. Tax & Export Tax Insurance		52,529		49,968
	2554000.000	52,652,526	2022250.000	38,295,220
		172,692,270		175,260,963
<b><u>SCHEDULE (K) - OTHER INCOME</u></b>				
a) Interest		234,828		146,016
b) Miscellaneous Receipts		2,670		1,648
c) Sundry Bal. W/off		(6,477)		21,948
		231,021		169,612

**SCHEDULE (L) - INCREASE / ( DECREASE ) IN STOCK**

	Year Ended 31.03.2009		Year Ended 31.03.2008	
	QUANTITY	VALUE	QUANTITY	VALUE
	KGS	RUPEES	KGS	RUPEES
<b>Stock at the beginning of the year</b>				
a) Finished goods		18,117,880		20,393,790
b) stock-in-process				
1. Bone-in-process	108,000	1,458,000	90,000	648,000
2. Acid-in-Acidulation	118,800	273,240	99,000	267,300
3. DCP-in-process	54,000	1,269,000	45,000	810,000
4. Ossein-in-process	353,484	44,185,500	423,488	42,348,760
5. Gelatine-in-process	4,680	421,200	5,400	486,000
		<u>47,606,940</u>		<u>44,560,060</u>
		<u>65,724,820</u>		<u>64,953,850</u>
<b>Stock at the end of the year</b>				
a) Finished Goods		22,523,220		18,117,880
b) Stock-in-process				
1. Bone-in-process	108,000	1,458,000	108,000	1,458,000
2. Acid-in-Acdulation	118,800	273,240	118,800	273,240
3. DCP-in-process	52,000	1,269,000	54,000	1,269,000
4. Ossein-in-process	291,651	36,456,422	353,484	44,185,500
5. Gelatine-in-process	2,500	225,000	4,680	421,200
		<u>39,681,662</u>		<u>47,606,940</u>
c) Coal Ash		—		—
d) Used Gunny Bags		—		—
		<u>62,204,882</u>		<u>65,724,820</u>
<b>Increase/Decrease (-)</b>		<u>3,519,938</u>		<u>770,970</u>

**SCHEDULED (M) -RAW MATERIALS CONSUMED**

<b>Stocks at the beginning of the year</b>	1,143,635	449,520
<b>Add: Purchases</b>	71,662,513	81,170,166
	<u>72,806,148</u>	<u>81,619,686</u>
<b>Less: Stocks at the end of the year</b>	1,640,738	1,143,635
	<u>71,165,410</u>	<u>80,476,051</u>

	Year Ended 31.03-2009 RUPEES	Year Ended 31.03.2008 RUPEES
<b>SCHEDULE (N)- ADMINISTRATION, SELLING &amp; OTHER EXP.</b>		
Salaries, Wages, and Allowances	12,423,076	12,197,667
Staff Welfare	423,555	456,742
Contribution to ESIC	493,946	450,436
Contribution to EPF Fund etc	1,231,646	1,156,289
Contribution to Employees Welfare Fund	8,090	6,438
Gratuity	360,467	210,368
Power & Fuel	46,411,334	39,752,878
Water Charges	275,724	351,090
Packing Material Stores & Spares	5,297,635	4,106,907
Repairs to Machinery	286,180	202,355
Repairs, to Building	1,110,284	465,585
Repairs to Others	50,436	67,861
Rent	800	11,436
Rates & Taxes	856,727	598,141
Selling & Distribution Expenses	4,339,069	4,319,449
Travelling & Conveyance Expenses	912,258	977,754
Directors Fees	145,000	175,500
Auditors Remuneration	31,546	28,600
Legal and Professional Charges	375,558	465,306
Postage, Telegram, Telep., Telex & Courier	635,577	468,634
Computer Expenses	8,010	4,550
Other Expenses (As per note B-6)	1,541,647	1,388,418
Sales Tax	3,840,178	4,450,861

	<b>81,058,743</b>	<b>72,313,265</b>
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**SCHEDULE (O) - INTEREST**

On Term Loans	—	—
Others	347,467	244,791
	<b>347,467</b>	<b>244,791</b>

**SCHEDULE (P)- DEPRECIATION**

Depreciation for the year (refer Schedule-D)	7,477,858	7,300,666
Less: Transfer from Revaluation Reserve	5,651,440	5,651,440
	<b>1,826,418</b>	<b>1,649,226</b>

**SCHEDULE "Q" - NOTES ON ACCOUNTS****A. Significant Accounting Policies and Practices :****1. Accounting Convention and Concepts –**

- a. The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and provision of the Companies Act, 1956, as adopted consistently by the Company.
- b. The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

**2. Use of Estimates –**

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the year. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**3. Fixed Assets/ Depreciation –**

- a. Fixed Assets are stated at cost of acquisition or construction. In case of revaluation of fixed assets, the original cost as determined by the valuer is considered in the accounts and the differential amount is transferred to Revaluation Reserve.
- b. Depreciation is provided on Building and Plant & Machinery on straight line method and rest of the fixed assets on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.
- c. Leasehold Land will be written off in the year in which the respective lease periods expire.
- d. Pursuant to Section 205 (2) depreciation on Plant & Machinery is calculated on revalued figure and not on original cost of Plant & Machinery. Subsequently the depreciation on revalued figure is reduced and balance is carried to Profit and Loss Account.

**4. Inventories –**

Finished products are valued at lower of cost or net realisable value, stocks in process, raw material, stores and spares at cost and these are in conformity to Accounting Standards.

**5. Sales/ Revenue –**

Sale of goods is recognised at the point of dispatch to customers. The excise duty and sales tax collected on sales are added in sales.

**6. Excise duty –**

Excise duty on manufactured goods is accounted for at the time of their clearance from the factory. The above policy however has no impact on the operating results of the Company.

**7. Retirement benefit –**

Company's contributions to Provident Fund are charged to Profit and Loss Account. Gratuity and leave encashment benefits at the time of retirement are charged to Profit and Loss Account on the basis of actual payment.

**8. Contingent liabilities –**

Contingent liabilities are determined on the basis of available information and are disclosed by way of other notes given herein below.

**B. Other Notes :**

1. Contingent Liabilities not provided for :
 

(i) Guarantee given to Sales Tax Authorities For permanent registration	10,000	10,000
(ii) General Bond executed in favour of Collector of Central Excise	2,00,000	2,00,000
(iii) Bonds executed in favour of Collector of Central Excise		
a) B-2 Bond	50,000	50,000
b) B/11 Bond	6,00,000	6,00,000
(iv) Income Tax A. Y. 2003-04	35,12,000	-
(v) Income Tax A. Y. 2005-06	3,12,000	-
(vi) Central Excise (CNVT Credit of Service Tax)	5,78,000	-
(vii) Central Excise (Excise Duty Demand)	5,33,000	-
(viii) Bank Guarantees given to Collector of Central Excise	1,25,000	1,25,000
2. No provision for Gratuity and leave encashment towards present liability for future payment under the payment of Gratuity Act, 1972 and terms of employment has been made as the amount is not ascertained.
3. a) The excise duty payable on finished goods not cleared from factory as on the date of Balance sheet is estimated at Rs. 18.44 Lakhs (Prev. year Rs.25.85 lakhs) on prevailing rates. The non-provision of this duty will not affect the profitability or otherwise of the year, being revenue neutral.  
 b) As per amended provisions, (1) the dues of excise duty on clearance of finished goods wherever applicable is payable in monthly installments w.e.f. 01.02.2004 and (2) statutory records under Excise Rules are dispensed with effect from 01.07.2000. The Company has acted on these amendments.
4. The Income tax assessments of the Company have been made upto assessment year 2004-05 relevant to previous year ended 2003-04. Assessment relating to assessment year 2005-06 is in progress.
5. Auditors Remuneration (including service tax)

	<u>2008-09</u>	<u>2007-08</u>
	<u>RUPEES</u>	<u>RUPEES</u>
Audit Fees	28,678	26,000
Tax Audit Fees	2,868	2,600
	<u>31,546</u>	<u>28,600</u>

6. The Income Tax Department conducted a survey on 29/01/2009 for non payment of tax arrears. The company has paid most of the dues and the last payment was made on 24/03/2009.
7. As informed to us by the management the yield of finished product is slightly lower due to inferior quality of Raw Materials consumed for the production purpose.
8. OTHER EXPENSES

	<u>2008-09</u>	<u>2007-08</u>
	<u>RUPEES</u>	<u>RUPEES</u>
Advertisement	0	3,050
Printing & Stationery	1,05,236	1,05,737
Bank Charges	74,504	91,048
Miscellaneous Expenses	1,71,497	80,155
Donation	15,337	2,765
Listing Fees	21,949	16,595
Annual General Meeting Expenses	28,715	11,167
Laboratory Expenses	18,250	0
PF & DLI Administration Charges	1,09,363	1,02,670
Office Expenses	37,135	69,100
Diwali Pooja Expenses	1,05,653	1,47,236
Security Service Charges	6,40,323	5,20,854
Uniform & Laundry	2,13,685	2,38,041
	<u>15,41,647</u>	<u>13,88,418</u>

9. Related Parties Disclosure in terms of Accounting Standard 18 issued by the Institute of Chartered Accountants of India

a. List of related parties:

i) Key Management Personnel:

- |                     |                              |
|---------------------|------------------------------|
| 1. Mr. A. L. Sahni  | Director                     |
| 2. Mr. Sachiv Sahni | Chairman & Managing Director |

ii) Subsidiaries: NIL

iii) Associated Companies/ Joint Ventures : C. Jairam Private Limited  
S.P. Sahni Trust

b. Details of transactions relating to person referred to in item (i) above

Unit of Measurement	Value of transaction
Amounts due at the end of the year	Rs. Lakhs 15.42

c. Transactions with Subsidiary/ Associate Company Amount (Rs. in lakhs)

Outstanding balance included in Unsecured Loans	18.28
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10. Disclosure in terms of Accounting Standard 20 regarding Earning per Share issued by the Institute of Chartered Accountants of India

<b>Earning per Share</b>	<b>Year ended 31.03.2009 Rs.</b>	<b>Year ended 31.03.2008 Rs.</b>
Profit/ (Loss) after Tax	<b>(5,05,532)</b>	18,93,615
Weighted average Nos. of Equity Shares	<b>4813300</b>	4813300
Earning per share (Weighted Average)	<b>Rs. (0.11)</b>	Rs. 0.39

Diluted Earning per share can not be calculated as there are no potential Equity Shares and no Rights and Bonus issues have been made during the year.

11. Deferred Tax Assets and Liabilities

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognised subject to management's judgment that realisation is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change. Provision relating to Deferred Tax Liability/Asset is not made.

## 12. Quantitative and value analysis of Raw Materials Consumed (excluding captively consumed)

	2008-09		2007-08	
	QUANTITY	VALUE	QUANTITY	VALUE
	KGS	RUPEES	KGS	RUPEES
a) Bones	4082515	5,36,34,002	4695425	6,08,64,457
b) Hydrochloric Acid	4921855	77,84,193	5495115	1,07,83,965
c) Lime	1358530	56,34,923	1513215	50,59,542
d) Chemicals	—	41,12,292	—	37,68,086
Details of Captively Consumed Ossein :				
Opening Stock as per Stocks-in-process	353484	4,41,85,500	423488	4,23,48,760
Production during the year	1020629	—	1173856	—
<b>TOTAL</b>	<b>1374113</b>		<b>1597344</b>	
Less Closing Stock as per Stocks-in-process	291651	3,64,56,422	353484	4,41,85,500
<b>Consumption</b>	<b>1082462</b>	<b>—</b>	<b>1243860</b>	<b>—</b>
Production of Gelatine out Of Ossein consumed	591873	—	596574	—

## 13. Licenced/Installed capacities, Production and stocks of Goods Manufactured (Excluding produced for captive use)

	Licenced Capacity	Installed Capacity	Production Quantity	Opening Stock Quantity	Opening Stock Value	Closing Stock Quantity	Closing Stock Value
Gelatine	1000	1000	591.873	77.956	179.30	97.314	223.82
	(1000)	(1000)	(596.574)	(86.582)	(194.81)	(77.956)	(179.30)
Ossein	1000	1800			Captively Produced		
	(1000)	(1800)			Captively Produced		
Dicalcium Phosphate	1600	3600	2568.000	8.00	1.88	6.00	1.41
	(1600)	(3600)	(2026.250)	(4.00)	(0.72)	(8.00)	(1.88)

Note : Quantities are in MT and values are Rupees in Lakhs.

14. Earnings in Foreign Exchange : NIL (Previous Year Nil).

15. Sundry Debtors and Sundry Creditors are subject to confirmation.

16. In view of insufficient information from suppliers regarding their status as Small Scale Unit, the amount overdue, if any, to them can not be ascertained.

17. Previous Year's figures have been rearranged and/or regrouped wherever necessary.

**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	23206	State Code	11
Balance Sheet Date 31 Month 03 Year 09			

**II. Capital Raised During the year ( Amount Rs. In Thousands )**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds**

( Amount Rs. In Thousands )

Total Liabilities	165,047	Total Assets	165,047
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**SOURCES OF FUNDS**

Paid-up Capital	48,133	Reserves & Surplus	113,405
Secured Loans	—	Unsecured Loans	3,509

**APPLICATION OF FUNDS**

Net Fixed Assets	137,701	Investments	
Net Current Assets	27,346	Misc. Expenditure	Nil
Accumulated Losses	—		

**IV. Performance of Company ( Amount Rs. In Thousands )**

Turnover	169,403	Total Expenditure	169,129
Profit / (Loss) Before Tax	274	Profit / (Loss) After Tax	(506)
Earning Per Share In Rs.	(0.11)	Dividend Rate %	Nil

**V. Generic Names of Three Principal Products/Service of Company.**

( As per Monetary terms).

Item Code No.		Product Discription
( ITC Code )	350300.02	GELATINE
Item Code No.		Product Discription
(ITC Code )	—	DI-CALCIUM PHOSPHATE

Signature to Schedule A to Q  
As per our Report of even date

For and on Behalf of the Board

For TRIVEDI & RESHAMWALA ASSOCIATES  
Chartered Accountants

ASCHARJLAL SAHNI Director

( HITESH RESHAMWALA )  
Proprietor

SACHIV SAHNI  
Chairman & Managing Director

PLACE : MUMBAI  
DATED: 27/07/2009

PLACE : MUMBAI  
DATED: 27/07/2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**  
**PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,464,755	2,908,615
ADJUSTMENTS FOR		
Depreciation	1,826,418	1,649,226
Interest Paid	347,467	244,791
Provision for Taxation	780,000	1,015,000
Expenses related to Previous Year	1,190,287	—
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,668,353</b>	<b>3,787,632</b>
ADJUSTMENTS FOR		
Sundry Debtors	6,785,407	14,112,331
Other Current Assets	(3,509,877)	(6,281,081)
Loans & Advances	369,279	(153,888)
Inventories	3,257,916	(1,520,482)
Trade Payable	1,007,897	(1,181,960)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>9,578,975</b>	<b>8,762,552</b>
Direct taxes Paid/Refund	(6,389,234)	16,351
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>3,189,741</b>	<b>8,778,903</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(A) 3,189,741</b>	<b>8,778,903</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,950,419)	(5,649,662)
Sale of fixed Assets	—	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(B) (2,950,419)</b>	<b>(5,649,662)</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Long Term borrowings	(288,474)	(1,738,717)
Repayment of borrowing	—	—
Interest Paid	(347,467)	(244,791)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(C) (635,941)</b>	<b>(1,983,508)</b>

( A+B+C )	(396,619)	1,145,733
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**D. NET INCREASE IN CASH AND CASH EQUIVALENTS**

Cash and Bank equivalents as at 1.4.2008	3,508,640	2,362,907
Cash and Bank equivalents as at 31.03.2009	3,112,021	3,508,640
	(396,619)	1,145,733

As per our Report of even date

For TRIVEDI &amp; RESHAMWALA ASSOCIATES

Chartered Accountants

For and on behalf of the Board

ASCHARAJLAL SAHNI

DIRECTOR

(HITESH RESHAMWALA)  
PROPRIETORSACHIV SAHNI  
CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI

DATED : 27/07/2009

PLACE : MUMBAI

DATED : 27/07/2009

**AUDITORS' CERTIFICATE**

To,

The Board of Directors

**C. J. Gelatine Products Limited**

MUMBAI.

We have examined the above Cash Flow Statement of C. J. Gelatine Products Limited for the year ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Listing agreement clause 32 with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Members of the Company.

For TRIVEDI & RESHAMWALA ASSOCIATES  
CHARTERED ACCOUNTANTS

HITESH RESHAMWALA  
PROPRIETOR

Membership No.41723

PLACE : MUMBAI

DATED : 27.07.2009

## PROXY FORM

### C. J GELATINE PRODUCTS LIMITED

Regd. Office : Tokersi Jivraj Wadi, Acharya Donde Marg, Sewree (W), Mumbai - 400 015.

I/We ..... of .....  
.....being Member / Members  
of **C. J GELATINE PRODUCTS LIMITED** hereby appoint .....  
.....of .....  
.....of or failing him/  
her.....of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the **Twenty Ninth Annual General Meeting**  
of the Company to be held Saturday the 26<sup>th</sup> September, 2009 at 12.30 p.m. at Mancherji Joshi Hall, Athoman  
Madrassa Annexe, 1st Floor, 651-52, Firdoshi Road, Parsi Colony, (Opp.Palamkotte Hall), Dadar (E), Mumbai: 400  
014. and at any adjournment thereof.

Signed this.....

Date of .....2009

Signature.....

Affix  
1.00 Rupee  
Revenue  
Stamp

Address.....

Regd. Folio No. ....

No. of Shares.....

**Note:** The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours  
before the time for holding the aforesaid meeting.

TEAR HERE

### C. J GELATINE PRODUCTS LIMITED

Regd. Office : Tokersi Jivraj Wadi, Acharya Donde Marg, Sewree (w), Mumbai - 400 015.

## ATTENDANCE SLIP

(PLEASE fill in the Attendance Slip and hand it over at the entrance of Meeting Hall)

I hereby record my presence at the **Twenty Ninth Annual General Meeting** to be held at Saturday the 26<sup>th</sup>  
September, 2009 at 12.30 p.m. at Mancherji Joshi Hall, Athoman Madrassa Annexe, 1st Floor, 651-52, Firdoshi  
Road, Parsi Colony, (Opp.Palamkotte Hall), Dadar (E), Mumbai: 400 014.

Full Name of the Shareholder (in Block Letters)

Folio Number .....

No. of Share held .....

Full Name of Proxy (in Block-Letter)

Signature of Shareholder of Proxy

9.53  
**BOOK - POST**

*If Undelivered, please return to :*

**C. J GELATINE PRODUCTS LIMITED**

Tokersi Jivraj Wadi,  
Acharya Donde Marg,  
Sewree (w), Mumbai - 400 015.