

Notice

C.J. Gelatine Products Limited

BOARD OF DIRECTOR

C.J. Gelatine Products Limited

JOINT MANAGING DIRECTOR

Jasjit Singh

DIRECTORS

Sunder S. Sahni

Vikas Gupta

Sandeep Singh

Ramnand Kaur

COMPANY SECRETARY

Manoj Singh

AUDITORS

Trivedi & Reshmiwala Associates

Chartered Accountants

Mumbai

BANKERS

IDBI Bank Ltd

REGISTERED OFFICE

1 Lokesh Vihar, Wazirpur

Delhi - 110005

32nd ANNUAL REPORT 2011 - 12

FACTORY

21, New Industrial Area

Mundla Road, Delhi - 110040

Dist. - Rohtak (H.P.)

C.J. Gelatine Products Limited

BOARD OF DIRECTOR

CHAIRMAN & MANAGING DIRECTOR

Sachiv Sahni

JOINT MANAGING DIRECTOR

Jaspal Singh

DIRECTORS

Surinder S. Sahni

Vikas Gupta

Sandeep Singh

Ramanand Kini

COMPANY SECRETARY

Harman Singh

AUDITORS

Trivedi & Reshamwala Associates

Chartered Accountants

Mumbai.

BANKERS

IDBI Bank Ltd.

REGISTERED OFFICE

Tokersi Jivraj Wadi.

Acharya Donde Marg.

Sewree(w), Mumbai - 400015

FACTORY

21, New Industrial Area,

Mandideep - 462046

Dist. : Raisen (M.P.)

Notice

NOTICE is hereby given that the Thirty Second Annual General Meeting of M/s C.J.Gelatine Products Limited will be held at Tokersi Jivraj Wadi, Acharya Dondé Marg, Sewree (W), Mumbai: 400015 on Saturday the 14th July, 2012 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2012, the Profit and Loss Account for the year ended on that date together with the schedules annexed thereto as well as the reports of the Board of Directors and Auditors attached thereon.
2. To appoint a Director in place of Mr. Sachiv Sahni who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Surinder Sahni who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor and fix their remuneration

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Mr. Jaspal Singh who was appointed as an Additional Director by the Board pursuant to the provisions of Section 260 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 as a Director of the Company liable to retire by rotation"

6. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Mr. Sandeep Singh who was appointed as an Additional Director by the Board pursuant to the provisions of Section 260 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 as a Director of the Company liable to retire by rotation"

7. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Mr. Vikas Gupta who was appointed as an Additional Director by the Board pursuant to the provisions of Section 260 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 as a Director of the Company liable to retire by rotation"

8. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT Mr. Ramanand Kini who was appointed as an Additional Director by the Board pursuant to the provisions of Section 260 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 as a Director of the Company liable to retire by rotation"

9. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT subject to the approval of members at a General Meeting pursuant to the provisions of Sections 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals and sanctions as may be necessary, Mr. Jaspal Singh be and is hereby appointed as Joint Managing Director of the Company for a period of five (5) years with effect from 17th February, 2012 on a remuneration of Rs.70,000/- p.m. to be approved by the Remuneration Committee under the Board and on the terms and conditions as stipulated hereunder:

A. Salary: Rs. 70,000 p.m. with liberty to the Board of Directors to sanction such increase as it may in its absolute discretion determine from time to time.

B. Accommodation: Rent-free furnished accommodation or 60% of the salary as house rent allowance in lieu of accommodation. The appointee shall also be eligible for maintenance of accommodation including furniture, fixtures and furnishings and reimbursement of expenses incurred on gas, electricity and water.

C. Perquisites: The appointee shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called "perquisites") such as medical reimbursement, leave travel assistance/allowance, membership fees of clubs, hospitalisation and accident insurance and any other perquisites as per the policy/rules of the Company in force or as may be approved by the Board from time to time.

In addition to the above, the appointee shall also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

- (i) Company maintained car(s) with driver(s), if any or cash equivalent thereof;
- (ii) Telecommunication facilities at residence;
- (iii) Company's contribution to Provident Fund and Superannuation Fund;
- (iv) Payment of gratuity and other retirement benefits and
- (v) Encashment of leave.

D. Commission: The appointee shall also be entitled to, in addition to the aforesaid salary and perquisites, commission as may be fixed by the Board after profits of the Company are ascertained each year, so however, the overall remuneration for all the managerial personnel does not exceed the limits prescribed under sections 198 and 309 of the Companies Act, 1956 and Schedule XIII as may be applicable from time to time with liberty to pay such commission in one or more installments entirely at the discretion of the Board.

E. The Board is authorised to fix actual remuneration and revise it from time to time within the aforesaid ceilings.

F. If in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the appointee shall be entitled to minimum remuneration by way of basic salary, perquisites and allowances not exceeding the ceiling limit specified under paragraph 1 of section II, Part II of Schedule XIII to the Companies Act, 1956 and in addition thereto, appointee shall also be eligible to the perquisites and allowances not exceeding the limits specified under paragraph 2 of section II, Part II of Schedule XIII to the Companies Act, 1956 or such other limits as may be specified by the Central Government from time to time as minimum remuneration.

G. This appointment as Joint Managing Director is liable for termination by either party giving three months notice in writing to the other."

10. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

"RESOLVED THAT subject to the approval of members at a General Meeting pursuant to the provisions of Sections 269 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto

(including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals and sanctions as may be necessary, Mr. Sachiv Sahni be and is hereby appointed as the Chairman & Managing Director of the Company for a period of five (5) years from 1st March, 2012 to 28th February, 2017 with out any remuneration"

Date : 25/5/2012

Place : Bhopal

By Order of the Board of Directors

Sachiv Sahni
Chairman & Managing Director

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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is annexed hereunder and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, the 07th July, 2012 to the Saturday the 14th July, 2012 (both days inclusive)**.
4. Members holding shares in physical form are requested to forward all applications for transfers and all other shares-related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company at the following address:

M/s. Adroit Corporate Services Pvt. Ltd
19/20, Jaferbhoy Industrial Estate
1st Floor, Makwana Road, Marol Naka
Andheri East
Mumbai: 400 059.
Tel.: 28594060, 28596060
Fax: 28503748
E-mail: pratapp@adroitcorporate.com
5. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form 2B in duplicate with the Share Transfer Agents which, on request will supply blank forms. Members holding shares in the dematerialised form may contact the Depository Participant for recording nomination in respect of their shares.
6. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares. Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

7. As required under Clause 49 of the Listing Agreement, the relevant information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are given below.

Name of Director	Sachiv Sahni	Sandeep Singh	Vikas Gupta	Ramanand Kini	Jaspal Singh	Surinder Sahni
Date of Birth	12/11/1980	28/01/1986	07/10/1986	28/09/1955	09/11/1953	28/10/1953
Date of Appointment	29/04/1999	17/02/2012	17/02/2012	17/02/2012	23/01/2012	27/04/2009
Qualifications	B. Com. From Bombay University	B.Com(H), ACS	B.Com(P), ACS, LLB	B.Com(H), FCA	B.Com(P)	B.A.
Experience in specific Functional Area	11 Years Business Experience. He has been the MD of the Company for More than 5 years.	3 Years of hands on experience in the field of Legal & Accounts. Currently Employed	More than 3 Years of Experience in the Field of Statutory laws related to the Companies. Currently Employed	More than 25 Years of Experience in the Field of Accounts. Doing Practice as Chartered Accountant	More than 40 Years of Experience in the field of Dealing in Chemicals and Pharmaceuticals. Owns a Chemical Unit at Vadodara	More than 10 Years of Business Experience
List of other Company Directorship held	NIL	NIL	NIL	NIL	M/s HINDUSTAN DRUGS LIMITED	NIL
Chairman/Member of the Committee of the Board of the Company	Audit Committee, Remuneration Committee, Share Transfer & Investors Relation Committee	Audit Committee & Remuneration Committee	Audit Committee & Remuneration Committee	NIL	NIL	Share Transfer & Investors Relation Committee
Chairman/Member of Committee of the Board of other Companies in which he is a Director.						
a) Audit Committee	NIL	NIL	NIL	NIL	NIL	NIL
b) Remuneration Committee	NIL	NIL	NIL	NIL	NIL	NIL
c) Compensation Committee	NIL	NIL	NIL	NIL	NIL	NIL

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 SETTING OUT ALL MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS IN THE NOTICE DATED

Item No. 5, 6, 7, 8, 9 AND 10: Ordinary Resolution

The Board of Directors had appointed Mr. Jaspal Singh as an Additional Director with effect from 23rd January, 2012 holding the office up to the date of ensuing Annual General Meeting. The Company has received, along with the requisite deposit, a notice under section 257 in writing from some of its members proposing his appointment as a Director of the Company.

The Board of Directors had appointed Mr. Vikas Gupta, Mr. Sandeep Singh, and Mr. Ramanand Kinni as an Additional Director with effect from 17th February, 2012 holding the office up to the date of ensuing Annual General Meeting. The Company has received, along with the requisite deposit, a notice under section 257 in writing from some of its members proposing their appointment as a Director of the Company.

The Board of Directors had also appointed Mr. Jaspal Singh as Joint Managing Director of the Company, under section 269 and Schedule XIII, for a period of five years commencing from 17th February 2012 subject to the approval of the members in the Annual General Meeting.

Mr. Jaspal Singh possesses rich experience in pharmaceutical industries, financial and allied areas. He has been in this area for over 40 years. He does not hold managing directorship in any other Company. He is not related to any Director of the Company.

The Board of Directors has reappointed Mr. Sachiv Sahni as Managing Director of the Company, under section 269 and Schedule XIII, for a period of five years with effect from 1st March 2012 subject to the approval of the members in the Annual General Meeting without any remuneration.

None of the other Directors of the Company except Mr. Surender Sahni in Item No. 10 are concerned or interested in the resolutions.

Date : 25/5/2012
Place : Bhopal

By Order of the Board of Directors

Sachiv Sahni
Chairman & Managing Director

DIRECTORS REPORT

To the Members,

Your Directors present herewith the Thirty Second Annual Report and the Audited Statements of Accounts of the Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

	(Rs.in lakhs)	(Rs.in lakhs)
	<u>2011-12</u>	<u>2010-11</u>
Sales & Other Income	<u>1302.37</u>	<u>1570.80</u>
Profit before Interest, Depreciation and Tax	54.32	38.36
Less: -----		
Interest	33.51	17.32
Depreciation	<u>20.05</u>	<u>18.60</u>
Profit before tax	0.76	2.44
Less: Provision for Tax	0.14	0.15
Profit for the year	0.62	2.29
Add: Balance Brought forward	14.55	12.26
Carried to Balance Sheet	<u>15.17</u>	<u>14.55</u>

During the year under review the Company recorded a total revenue of Rs.1302.37 lakhs and earned a PBITD of Rs. 54.32 Lakhs. Due to the low availability of Raw Material, Maintenance at Factory Premises and Increase in the Prices of Raw Material during the Period August - October 2011, the Production of Finished Goods at the Factory declined, however, there has been an Increase in realization price of Finished Goods, however due to a downward trend in the Production, the same had an effect on Revenues for the year 2012 and Profits for the Year.

TAXATION

Provision for tax of Rs. 0.14 lakhs for the year has been made as per the Income Tax Act, 1961.

DIVIDEND

Your Directors do not propose any dividend for the financial year ended 31st March, 2012.

INSURANCE

The Directors confirm that the fixed assets and stocks of the Company are adequately insured against fire and allied risks.

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 for the year 2012-13.

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 are required to be disclosed.

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

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

DIRECTORS:

Shri Jaspal Singh, Shri Vikas Gupta, Shri Ramanand Kini and Shri Sandeep Singh were appointed as Additional Directors pursuant to the provisions of Section 260 of the Companies Act, 1956 to hold office till the next Annual General Meeting. Your Board appointed Shri Jaspal Singh as Joint Managing Director of the Company to look after the day to day operations of the factory subject to the approval of the Members at the next Annual General Meeting. The details/information regarding the appointee Director(s) are given in the Annual Report.

Shri Sachiv Sahni and Shri Surinder Sahni are liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

During the year Shri A. L. Sahni, Shri Charanjit Singh Sodhi and Shri Hemant Sethi, Directors of the company resigned from the Board. Your Directors place on record the valuable services rendered by the outgoing Directors during their long tenure on the Board of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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.

They have selected the accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 and of the profit of the company for the year ended on that date.

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.

They have prepared the Annual Accounts on a going concern basis.

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 are 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' REPORT

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

AUDITORS

M/s Trivedi & Reshamwala Associates, Chartered Accountants, Mumbai, Auditors of the company, retire at the ensuing Annual General Meeting. They have given in writing their unwillingness to continue in office.

Your Board of Director's of the Company makes an effort for appointment of new auditor of the Company in place of M/s Trivedi & Reshamwala Associates.

AUDIT COMMITTEE:

Audit Committee of the Board has been constituted in terms of Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956. Constitution and other details of the Audit Committee are given in "Corporate Governance Report" in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, as required under the Listing Agreement is enclosed in the Annexure to this report.

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.

ACKNOWLEDGEMENT:

Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Bank(s), Customers, Dealers, Vendors, Promoters, Shareholders, Government Authorities and all other Business Associates during the year under review. The Directors also wish to place on record their deep sense of gratitude for the committed services of employees at all levels.

For and on behalf of the Board

For and on behalf of the Board

Place: Bhopal (SACHIV SAHNI)

(JASPAL SINGH)

Dated: 25/05/2012 CHAIRMAN & MANAGING DIRECTOR

JOINT MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' REPORT 2011-2012

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

CONSERVATION OF ENERGY

Every care has been taken to conserve energy in the process of manufacturing or other operations.

TECHNOLOGY ABSORPTION

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

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.

		<u>2011-12</u>	<u>2010-11</u>
A)	POWER AND FUEL CONSUMPTION		
1.	Electricity Units (000) kwhs	2099.000	2797.300
	Total Amount (Rs.in Lacs)	142.440	163.910
	Average cost per unit (Rs)	6.790	5.860
2.	Steam Coal		
	Quantity (Tonnes)	3175.770	3425.395
	Total Cost (Rs.in Lacs)	163.050	129.750
	Average cost per Tonne in (Rs)	5134.290	3787.880
3.	Diesel H.S.		
	Quantity (000 Litres)	132.636	152.025
	Total Amount (Rs.in Lacs)	59.110	62.540
	Average cost per litre (Rs.)	44.670	41.140

CONSUMPTION PER UNIT OF GELATINE PRODUCTION

Electricity (KWH per Tonne)	3764.000	3831.000
Coal (Kilo per Tonne)	5695.000	4691.000
Diesel (Litre per Tonne)	237.870	208.200

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS**

The worldwide gelatin market is benefiting from growing demand for cosmetics, pharmaceutical and nutraceutical

industries, fueled by robust economic development witnessed in emerging economies, particularly in Asia. In addition, the fast-expanding ageing demography of the global population is boosting demand from the pharmaceutical industry for gelatin and its derivatives products.

Worldwide Gelatine consumption is forecast to reach 395.84 thousand metric tons by the year 2017, fuelled by aging population, focus on healthcare and increasing demand from end-use industries such as food & beverage, nutraceuticals and pharmaceuticals. Additionally, rising standards of living, shift to vegetarian gelatin options, easy affordability and greater awareness in emerging economies such as China and India will promote further growth. However, despite the bright outlook, consumer concerns related to the safety and social aspects of using products derived from animal body parts continue to haunt industry prospects.

India: India ranks topmost in the world in livestock holding and has the potential to utilize slaughterhouse by products to partly meet the growing requirement of animal feeds. The total availability of offal/bones in the country generated from large slaughterhouses is estimated to be more than 21-lakh tonnes/annum.

OUTLOOK ON OPPORTUNITIES

The rapid growth of the Pharmaceutical, and Health & Nutrition market in India and across the world, has resulted in stable demand for Gelatin. Your company shall seize this opportunity and increase its market spread.

Your Company is also planning to introduce a few other product variants in the area of health and nutrition in the near future.

OUTLOOK ON THREATS, RISKS AND CONCERNS

With the increasing demand for Gelatin in India, the last year witnessed an unprecedented shortage for its key raw material. The impact of the global economic recession on the export of meat from the country resulted in a lower availability of crushed bones in India. This resulted in a steep increase in the raw material costs.

The meat industry is now on a recovery path with the demand in the export as well as domestic markets picking up and we expect the raw material shortage situation to ease in the near term.

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are made as required by the applicable laws and regulations. Many factors including unforeseen developments and future global scenario may affect the actual results, which could be different from what the Directors envisage now in terms of the future performance and outlook.

The Management has a firm belief that the strategic direction of your Company is sound and will continue to exceed the shareholders expectation, both short-term and long-term.

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

Corporate Governance ensures fairness, transparency and integrity of the management which provides a frame work within which stakeholders can pursue the objectives of the organization effectively. Good Corporate Governance practices encompass the organizational culture and lay the foundation for enhanced corporate excellence. Your Company is committed to achieve and maintain higher standards of Corporate Governance on an ongoing basis and therefore operates within accepted standards of propriety, fair play and justice, which are fundamental to the Company.

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 stake holders. 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 conformity with Clause 49 of the Listing Agreement with the Stock Exchange.

As on 31st March, 2012 the Company had Six Directors on its Board, the Chairman being an Executive. Out of the Six Directors four were Non-executive Directors and among them 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:

None of the Directors is a member in more than Ten Committees or Chairman in more than five Committees, across all the Companies in which they are Directors. Necessary disclosures regarding committee positions in other public companies as on 31st March, 2012 have been made by the Directors.

Attendance at Board Meetings

During the year under review five meetings of the Board were held on the following dates with a gap not exceeding four months between two consecutive meetings. 09th May, 2011, 27th July, 2011, 08th November, 2011, 23rd January, 2012 and 17th February, 2012.

The composition of the Board, number of directorship in other companies, memberships/chairmanships of the Committees in public limited companies other than your Company, private limited companies and attendance at Board and General Meetings held during the financial year under review are mentioned below:

Sr. No.	Name	Category	Attendance at Board Meetings		Directorships in other public Companies Chairman/Member	Membership/Chairmanship of Committees in other Public Companies		Attendance at A.G.M. held on 17 th September, 2011
			Held	Attended		Chairman	Member	
1.	Sachiv Sahni	Managing Director	5	5	Nil	N. A.	N. A.	Present
2.	*A. L. Sahni up to 23-1-2012	Director	5	1	Nil	N. A.	N. A.	Present
3.	Surinder Sahni	Non Executive Director	5	5	Nil	N. A.	N. A.	Present
4.	*Charanjit Singh Sodhi Up to 23-1-2012	Independent Non Executive Director	5	3	Nil	N.A.	N.A.	Absent
5.	*Hemant Sethi Up to 17-2-2012	Independent Non Executive Director	5	Nil	Nil	N. A.	N. A.	Absent
6.	**Jaspal Singh Appointed on 23-1-2012	Joint Managing Director	5	1	1	N.A.	N. A.	N.A.
7.	***Vikas Gupta Appointed on 17-2-2012	Independent Non Executive Director	5	1	Nil	N.A.	N.A.	N.A.
8.	***Ramanand kini Appointed on 17-2-2012	Independent Non Executive Director	5	1	Nil	N.A.	N.A.	N.A.
9.	***Sandeep Singh Appointed on 17-2-2012	Independent Non Executive Director	5	1	Nil	N.A.	N.A.	N.A.

* Shri A.L.Sahni, Shri Charanjit Singh Sodhi and Shri Hemant Sethi resigned from the Board

** Shri Jaspal Singh was appointed as Additional Director w.e.f. 23-1-2012 and Joint Managing Director w.e.f. from 17-2-2012

***Shri Vikas Gupta, Shri Ramanand Kini and Shri Sandeep Singh were appointed as Independent Non Executive Director w.e.f. 17-2-2012

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

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.com. 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 available on the website of the Company.

3. COMMITTEES OF THE BOARD:

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

- (i) Audit Committee
- (ii) Share Transfer & Investors Relation Committee
- (iii) Remuneration 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 Audit Committee of the Company is constituted in accordance with Clause 49 of the Listing Agreement with the Stock Exchange.

The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are 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. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being 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. Significant adjustments made in the financial statements arising out of audit findings.
 - d. Compliance with listing and other legal requirements relating to financial statements.
 - e. Disclosure of any related party transactions.
 - f. Qualifications in the draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. 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.
7. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
8. Carrying out any other function as is assigned to the Audit Committee.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	SHRI HEMANT SETHI	4	3
2.	SHRI CHARANJIT SINGH SODHI	4	3
3.	SHRI SACHIV SAHNI	4	4
4.	*SHRI VIKAS GUPTA	4	1
5.	*SHRI SANDEEP SINGH	4	1

The Committee comprised of Shri Hemant Sethi, Shri Sachiv Sahni and Shri Charanjit Singh Sodhi who was the Chairman of the Committee for part of the year till Shri Hemant Sethi and Shri Charanjit Singh ceased to be Directors of the Company in the month of February, 2012 and January, 2012 respectively. There after, the Audit Committee was re-constituted on 17th February, 2012 when Shri Vikas Gupta and Shri Sandeep Singh were appointed as Chairman and Member respectively of the Audit Committee.

The members of the Audit Committee are financially literate and the present Chairman possesses expertise in finance and accounting because of his experience in various Industries and possesses Educational Qualification as a Company Secretary from Institute of Company Secretaries of India (ICSI) and has done graduation in B.Com (H).

The Audit Committee met four times during the year on 09th May, 2011, 27th July, 2011, 08th November, 2011 and 17th February, 2012.

(ii) Share Transfer & Investors Relation Committee

The Share Transfer & Investor Relation Committee comprises of Shri Sachiv Sahni and Shri Surinder Sahni. The Share Transfer & Investor Relations Committee is authorized to consider and approve the physical share transfers, transmission and transposition, issue of duplicate certificates, consolidation, split and renewal of share certificates and to attend investor grievances. The meetings of the Committee were held Six times during the year ended on 31st March, 2012. The details of attendance are as below:

Sr.No.	Name of Members	No. of meetings held	No of meetings attended
1.	Shri Sachiv Sahni	6	6
2.	Shri Surinder Sahni	6	6

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 redressal of complaints from shareholders relating to share transfers, non receipt of Annual Report, dividend etc. and monitoring thereof

Name and designation of compliance officer

Mr. Parshuram M Sagvekar, Secretarial Officer, Mr. Harman Singh, Company Secretary.

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 31.03.2012.

(iii) Remuneration Committee

The Remuneration Committee comprises of Mr. Vikas Gupta, Mr. Sandeep Singh and Mr. Sachiv Sahni and was constituted on 17th February, 2012. The remuneration Committee of the Company determines on behalf of Board and on behalf of Shareholders, the Company's Policy governing remuneration payable to Executive Director(s). The Meetings of the Committee were held only once during the year ended 31st March, 2012. The details of the Attendance are as below:

Sr.No.	Name of Members	No. of meetings held	No of meetings attended
1.	Shri Vikas Gupta	1	1
2.	Shri Sandeep Singh	1	1
3.	Shri Sachiv Sahni	1	1

The Remuneration to the Joint Managing Director is paid as determined by the remuneration Committee and proposed for approval by the Shareholders at the General Meeting to be held on 14th July, 2012.

Details of Remuneration paid/payable to Executive and Non-executive Directors for the year ended March 31, 2012 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.	Hemant Sethi	Nil	Nil
*2.	Charanjit Singh Sodhi	5000	Nil
3.	Surinder Sahni	10000	Nil
*4.	Vikas Gupta	Nil	Nil
*5.	Ramanand Kini	Nil	Nil
*6.	Sandeep Singh	Nil	Nil

*Independent Directors

b) Executive Directors:

(Amount in Rupees)

Sr.No.	Name of Director	Remuneration
1.	A.L.Sahni	2500/-
2.	Sachiv Sahni	NIL
3.	*Jaspal Singh	106400/-

*Rs 106400/- is payable in the books of the Company.

SERVICE CONTRACT, SEVERANCE FEE AND NOTICE PERIOD OF THE EXECUTIVE DIRECTORS

The Appointment of the Joint Managing Director is governed by resolutions proposed to be passed by the share holders at Annual General Meeting to be held on 14th July 2012. A Separate Service Contract is not entered into by the Company. The Company has no scheme for stock options. No Notice period or severance fee is payable to any Director.

4. BOARD PROCEDURE

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

Information Supplied to the Board:

The Board of Directors has complete access to the information within the Company, which interalia 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.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage 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 14th July, 2012 at 12.30 P.M at its Reg. office at
Tokersi Jivraj Wadi, Acharya Donde Marg,
Sewree (W), Mumbai: 400015.

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

Year	Date	Time	Location	Detail of Special Resolution(s) passed, if any
2009	26/09/2009	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 st Floor, 651-52, Firdoshi Road, (Opp Palamkote Hall), Parsi Colony, Dadar (E), Mumbai: 400014	-
2010	18/09/2010	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 st Floor, 651-52, Firdoshi Road, (Opp Palamkote Hall), Parsi Colony, Dadar (E), Mumbai: 400014	-
2011	17/09/2011	12.30 P.M.	Mancherji E Joshi Hall, Athornan Madressa Annexe, 1 st 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 B-8 of Note 21 (Notes on Accounts) 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 & Analysis:

Management Discussion & Analysis Report – An Outlook & SWOT Analysis forms part of Director's Report.

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

The detailed profiles of Directors appointed/re-appointed and retiring by rotation are provided in the Annexure to the Notice of the Annual General Meeting.

7. CEO / CFO Certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO /CFO Certification for the financial year ended 31st March, 2012.

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.com 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 14th of July, 2012 at 12.30 p.m.

Venue : Tokersi Jivraj Wadi, Acharya Donde Marg, Sewree (W), Mumbai: 400015.

Book Closure : From Saturday, the 07th of July, 2012 to Saturday, the 14th of July, 2012

(Both days Inclusive)

Dividend	: Nil
Registered Office	: Tokersi Jivraj Wadi, Acharya Donde Marg, Sewree (W), Mumbai: 400015.
Registrar & Share Transfer Agent	: Adroit Corporate Services Pvt. Ltd.
Listing of Stock Exchange	: Bombay Stock Exchange
Stock Code	: 507515
ISIN allotted to Equity Shares	: INE 557 D01015
Our Website	: www.cjgelatineproducts.com
Financial Year	: Starts from 1st April and ends on 31st March of the following year
Financial calendar	: Quarter Ending June 2012 July 2012 Quarter Ending September 2012 October 2012 Quarter Ending December 2012 January 2013 Year Ending March 2013 May 2013

Stock Market Data

Monthly high and low prices of Equity Shares of the Company quoted at Stock Exchange, Mumbai during the year 2011-12

Month	High	Low
April, 2011	07.25	06.04
May, 2011	07.09	05.82
June, 2011	08.25	06.11
July, 2011	08.04	06.66
August, 2011	08.23	07.04
September, 2011	07.74	06.50
October, 2011	07.39	06.10
November, 2011	06.88	05.98
December, 2011	06.25	05.80
January, 2012	10.50	06.25
February, 2012	10.50	06.97
March, 2012	07.99	05.37

Distribution of Shareholding as on 31st March, 2012

No. of Equity	No. of share holders	% of Share Holders	No. of share held	Amount (In Rs.)	% of Sh. Holding
1 to 500	4313	93.46	540172	5401720.00	11.22
501 to 1000	171	3.71	142480	1424800.00	2.96
1001 to 2000	61	1.32	94830	948300.00	1.97
2001 to 3000	22	0.48	56559	565590.00	1.18
3001 to 4000	6	0.13	21321	213210.00	0.44
4001 to 5000	11	0.24	51865	518650.00	1.08
5001 to 10000	17	0.37	131551	1315510.00	2.73
10001 & Above	14	0.30	3774522	37745220.00	78.42
Total	4615	100.00	4813300	38133000.00	100.00

Categories of Shareholding as on 31st March, 2012

No. of shares held	FOLIOS	% age	Shares	% age
RESIDENT INDIVIDUALS	4276	92.65	1356495	28.18
NON RESIDENT INDIANS (INDIVIDUALS)	269	5.83	59101	1.23
CORPORATE BODIES (PROMOTERS)	1	0.02	1857500	38.59
CORPORATE BODIES	49	1.06	70502	1.46
BANKS	2	0.04	300	0.01
DIRECTORS (PROMOTERS)	4	0.09	1281800	26.63
DIRS'RELATIVES (PROMOTERS)	10	0.22	186132	6.35
CORPORATE BODY - BROKER	4	0.09	1470	0.03
	4615	100.00	4813300	100.00

Registrar and Share Transfer Agent:**Adroit Corporate Services Pvt. Ltd**

19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,

Marol Naka, Andheri East, Mumbai: 400 059.

Tel.: 28594060, 28596060

Fax: 28503748

E-mail: pratapp@adroitcorporate.com**Share Transfer System:**

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agent within 30 days of the lodgment, if documents are found in order. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

Dematerialization of Shares & Liquidity

: 80.60% of Equity Shares have been dematerialized as on 31st March, 2012

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.

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchange, for the year ended 31st March, 2012.

SACHIV SAHNI

Date: 25th May, 2012

(CHAIRMAN & MANAGING DIRECTOR)

Place: Bhopal

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

To the Members of M/s 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 31st March, 2012 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 the material aspect by the Company.

**For TRIVEDI & RESHAMWALA ASSOCIATES
CHARTERED ACCOUNTANTS**

**HITESH RESHAMWALA
PROPRIETOR**

Membership No. : 41723
F.R.No.111041W 15.03.90

Place: Bhopal
Dated: 25th May, 2012

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 Ltd. as at 31st March 2012, 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, 2012 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 (Note No. 21) 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, 2012,
- (b) In the case of the Profit and Loss Account, the profit 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

Membership No. 41723

F. R. No. 111041W of 15.03.1990

PLACE: Bhopal
DATED: 25.05.2012

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012 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 three 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 (₹) 18.28 lacs.
- (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. However as explained to us, the Company is yet to pay arrears of (₹) 31,00,357/- outstanding on account of Employer's Contribution to ESIC, (₹) 13,72,659/- towards contribution of Provident Fund and Sales Tax amounting to (₹) 41,97,335/-. An amount of (₹) 1,356/- is outstanding on account of TDS (contractors) and (₹) 10,640/- outstanding on account of TDS (Salary). Income Tax of (₹) 6,40,465/- for A. Y 2010-11 is Outstanding and liable to be paid.

(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:

S.No.	Name of Statute	Nature of the dues	Amount ((₹)in lakhs)	Forum where dispute is pending
1.	Central Excise & Custom Act	CENVAT Credit of Service Tax	5.78	Commissioner Appeal, Central Excise, Bhopal.
2.	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
F. R. No. 111041W of 15.03.1990

PLACE: Bhopal
Date: 25.05.2012

P. K. B. NAMBIAR
B.Com. (Hon.) LL.B., F.C.S.,
Company Secretary

13A/101, "Sangita",
Janakalyan Nagar,
Off. Marve Road, Kharodi,
Malad (W), Mumbai - 400 095
 Tel : 2863 69 70
 Mobile : 98200 92754
 E-mail : nambiarp@vsnl.com

SECRETARIAL COMPLIANCE CERTIFICATE

The Members,
 C.J.Gelatine Products Limited
 C.Jairam Mills Compound,
 Tokersi Jivraj Wadi,,
 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 31st March, 2012 (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 five times i.e. on 09/05/2011, 27/07/2011, 08/11/2011, 23/01/2012 and 17/02/2012 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 10th September, 2011 and 17th September, 2011 (Both days inclusive)
6. the Annual General Meeting for the financial year ended on 31st March, 2011 was held on 17th September, 2011 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 has obtained necessary approval from the Board of Directors, Members and approval of the Central government pursuant to Section 314 of the Companies Act, wherever applicable.

12. the Committee appointed by the Board of the Company has approved the issue of duplicate share certificates
13. The Company
 - (i) has delivered all certificates on lodgment of securities for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) has not deposited 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. appointment of Managing Director/Whole Time Director have been made and the compliances in respect thereof as per the provisions of Sections 192, 269, 303, 309 of the Act read with Schedule XIII thereto are yet to be completed.
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 except in case of the appointment of Managing Director
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

Date : 25th May, 2012

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
6. 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 31st March, 2012

1. e-Form 66 – Secretarial Compliance Certificate for the financial year ended 31st March, 2011 - filed on 15/10/2011
2. e-Form 208 – Annual Return made up to 17/09/2011 under Section 159 of the Companies Act, 1956 - filed on 13/12/2011

Place : Mumbai

Dated: 25th May, 2012

P.K.B.NAMBIAR
Company Secretary
C.P.1090

(All amounts in Indian rupees)

BALANCE SHEET AS AT 31.03.2012

PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	1	48,133,000.00	48,133,000.00
(b) Reserves and surplus	2	96,220,353.10	101,809,702.04
		<u>144,353,353.10</u>	<u>149,942,702.04</u>
(2) Non-current liabilities			
(a) Long-term borrowings	3	20,419,260.00	28,180,780.00
		<u>20,419,260.00</u>	<u>28,180,780.00</u>
(3) Current liabilities			
(c) Other current liabilities	4	51,304,875.88	53,020,022.64
(d) Short-term provisions	5	13,141,011.78	20,334,125.78
		<u>64,445,887.76</u>	<u>73,354,148.42</u>
TOTAL		<u>229,218,500.86</u>	<u>251,477,610.46</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		119,964,229.55	126,488,352.00
		<u>119,964,229.55</u>	<u>126,488,352.00</u>
(2) Current assets			
(a) Inventories	6	83,954,398.99	84,916,779.73
(b) Trade receivables	7	3,974,948.94	14,831,447.78
(c) Cash and cash equivalents	8	2,949,808.61	22,180,269.83
(d) Short-term loans and advances	9	18,375,116.77	23,060,761.12
		<u>109,254,271.31</u>	<u>124,989,258.46</u>
TOTAL		<u>229,218,500.86</u>	<u>251,477,610.46</u>
Contingent Liabilities and Commitments	10	2,096,000.00	2,096,000.00
See accompanying notes to the financial statements			

The Notes referred to above, form an integral part of the Balance Sheet

As per our Audit Report of even date attached

for Trivedi & Reshamwala Associates
Chartered Accountants

for & on behalf of Board of Directors

Hitesh Reshamwala
Proprietor
M. No. 41723
F. R. No. 111041W of 15.03.1990Sachiv Sahni
Chairman & Managing DirectorPlace : Bhopal
Date : 25.05.2012Jaspal Singh
Joint Managing Director

STATEMENT OF PROFIT & LOSS ACCOUNT (All amounts in Indian rupees)

FOR THE YEAR ENDED 31.03.2012

PARTICULARS

	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations			
II. Other income	12	130,068,518.00	155,393,958.00
III. Total Revenue (I + II)	13	171,347.46	1,886,160.25
IV. Expenses:		130,238,645.46	157,080,118.25
(a) Cost of materials consumed	14	78,059,811.18	83,104,928.55
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	(23,853,607.58)	901,320.80
(d) Employee benefits expense	16	19,258,325.00	17,656,410.00
(e) Finance costs	17	3,350,884.00	1,732,431.00
(f) Depreciation and amortization expense	18	2,005,232.46	1,859,738.28
(g) Other expenses	19	53,340,029.34	51,581,788.85
Total expenses		130,190,574.41	156,836,593.48
V. Profit before exceptional and extraordinary items and tax (III-IV)		78,291.05	243,524.79
IX. Profit before tax (VII- VIII)		78,291.05	243,524.79
X. Tax expense:			
(a) Current Tax			
(b) Provision for Deferred Tax Liability / (Assets)	20	(14,390.00)	(15,000.00)
XI. Profit (Loss) for the period from continuing operations (IX-X)		62,091.05	228,524.79
XII. Profit(loss) from discontinuing operations			
XIII. Tax expense of discontinuing operations			
XIV. Profit(loss) from Discontinuing operations (after tax) (XII-XIII)			
XV. Profit (Loss) for the period (XI + XIV)		62,091.05	228,524.79
XVI. Earnings per equity share:			
(1) Basic			
(2) Diluted			

See accompanying notes to the financial statements

The Notes referred to above, form an integral part of the Statement of Profit & Loss Account

As per our Audit Report of even date attached

For Trivedi & Reshamwala Associates
Chartered AccountantsHitesh Reshamwala
Proprietor
M. No. 41723
F. R. No. 111041W of 15.03.1999Place : Bhopal
Date : 25.05.2012

For & on behalf of Board of Directors

Sachin Sahni
Chairman & Managing DirectorJaspal Singh
Joint Managing Director

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2012

LOCAL CURRENCY IN INDIAN RUPEES

PARTICULARS		Figures as at the end of current reporting period	Figures as at the end of previous reporting period
NOTE 1 : SHARE CAPITAL			
1.	Authorized Share Capital (a) 7000000 Equity Shares of Rs. 10/- each (7000000 P. Y.)	70,000,000.00	70,000,000.00
		<u>70,000,000.00</u>	<u>70,000,000.00</u>
2.	Issued, Subscribed & Paid-up Shares (a) Equity Share Capital (i) 4813300 Equity Shares of Rs. 10/- each fully paid up (4813300 P. Y.)	48,133,000.00	48,133,000.00
		<u>48,133,000.00</u>	<u>48,133,000.00</u>
3.	Reconciliation Statement of Share Capital (in Nos. of Shares) (a) Equity Share Capital Balances of Shares at the beginning of the reporting period Balances of Shares at the end of the reporting period	4,813,300.00 <u>4,813,300.00</u>	4,813,300.00 <u>4,813,300.00</u>
4.	Details of Shares held by Holding Company, Ultimate Holding Company, including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate. (a) Holding Company (i) C. J. Gelatin Pvt. Ltd.	1,857,500.00	1,857,500.00
		<u>1,857,500.00</u>	<u>1,857,500.00</u>
5.	Details of shares in the company % of then & percent shares specifying 1 Shares (a) C. J. Gelatin Pvt. Ltd. (b) Sachiv Sahit	% of Share 38.59 22.76 No. of shares 1,857,500.00 1,095,200.00 <u>2,952,700.00</u>	% of Share 38.59 22.76 No. of shares 1,857,500.00 1,095,200.00 <u>2,952,700.00</u>
6.	Details of Forfeited shares	11,100.00 <u>11,100.00</u>	11,100.00 <u>11,100.00</u>
NOTE 2 : RESERVES AND SURPLUS			
1.	Share Forfeited Account	88,250.00	88,250.00
2.	Revaluation Reserve Revaluation of Fixed Assets Rs. 15,81,51,433 Less : Depreciation on the amt on Revaluation Rs. 8,29,45,826	93,905,607.00	90,157,047.00
3.	General Reserve	84,389.25	84,389.25
4.	Investment Allowance Reserve	1,045,825.00	1,045,825.00
5.	Surplus / Profit & Loss Account (a) Balances of Shares at the beginning of the reporting period Add : Addition during the year (b) (i) Balance of Profit & Loss Account (c) Balances of Shares at the end of the reporting period Total Reserves & Surplus	1,454,190.79 82,091.05 <u>1,536,281.84</u>	1,225,867.00 228,523.79 <u>1,454,390.79</u>
		<u>15,225,583.10</u>	<u>14,106,702.04</u>
NOTE 3 : LONG TERM BORROWINGS			
1.	Secured Borrowings (a) Term Loans/ Cash Credit (i) From Banks Secured by way of First Mortgage / Charge on the immovable properties situated at Mandideep, Bhopal, M. P. and on Fixed Assets Situated at Mandideep, Bhopal, MP (Loan from IDBI Bank Ltd. amount outstanding as on 31-03-2012 Rs. 1,75,12,743.07) (Previous Year Rs.2,40,88,384.85)	17,500,000.00	25,000,000.00
		<u>17,500,000.00</u>	<u>25,000,000.00</u>
2.	Unsecured Borrowings (a) Term Loans (i) From Other Parties Nita Gelatin Inds Ltd. (b) Deferred Payment Liabilities / Deposits / Loans & Advances from Related parties / Long term liabilities of finance lease obligations / Other loans and advances (specify nature). Sachiv Sahit S P Sahit Trust	1,090,790.00 1,828,470.00 2,919,260.00	1,200,000.00 1,828,470.00 3,180,760.00
	Total Long Term Borrowings	<u>20,419,260.00</u>	<u>28,180,760.00</u>

NOTE 4 : OTHER CURRENT LIABILITIES

- 1 Income received in advance #
2 Trade Payable *

10,051,836.08	16,653,370.38
41,293,219.02	38,356,852.25
51,304,875.98	63,020,222.63

Includes security deposits, Advance received from customer
There is no information available with the company regarding outstanding amounts payable to Micro, Small & Medium Enterprises

NOTE 5 : SHORT TERM PROVISIONS

- 1 Provisions for Employee Benefits
2 Others

6,459,344.00	10,187,000.00
8,681,887.78	10,147,116.78

NOTE 6 : INVENTORIES

- 1 Raw materials
2 Work In Progress
3 Finished Goods
4 Stores and spares
5 Loose tools
6 Coal
7 Diesel

1,359,220.96	6,310,150.73
64,632,918.00	51,008,604.07
14,394,290.00	4,398,978.35
2,989,772.04	3,121,404.68
25,880.00	25,880.00
302,550.50	47,915.75
39,645.48	37,706.74
83,854,388.98	64,918,776.72

NOTE 7 : TRADE RECEIVABLES

- 1 Debtors Outstanding for a period exceeding 6 Months
Trade Receivables
i) Unsecured - Considered Good
7 Others
(a) Trade Receivable
i) Unsecured - Considered Good

3,864,692.04	
10,256.00	14,831,447.78

NOTE 8 : CASH AND CASH EQUIVALENTS

- 1 Balances with Banks:-
(a) In Current Account
(b) Earmarked balances with banks
(c) Balances with bank held as margin money or security against borrowing, guarantees and other commitments
(d) Repatriation restrictions
(e) Bank deposits with more than 12 months maturity
2 Cheques, Drafts on hand
3 Cash on hand

115,380.50	18,472,806.72
1,000.00	1,000.00

NOTE 9 : SHORT TERM LOANS AND ADVANCES

- (a) Amounts due by private companies in which any director is a director or member
(i) Secured - Considered Good
2 Others Loans and Advances
(a) Secured
(i) Considered Good #
(b) Unsecured
(i) Considered Good
(ii) Considered Doubtful

2,833,416.11	2,706,281.11
2,849,806.61	22,180,269.83

3,529,528.38	5,844,358.38
10,898,744.20	13,250,958.55
2,804,824.21	3,121,224.21
1,044,220.00	1,044,220.00

Includes Other Advances, Advance to Suppliers, Other Current Assets and Income Tax (Net of Provisions)

NOTE 10 : CONTINGENT LIABILITIES AND COMMITMENTS

- 1 Contingent liabilities
(a) Guarantee Given to Sales Tax Authorities for Permanent Registration
(b) General Bond Executed in favour of Collector of Central Excise
(c) Bond Executed in favour of Collector of Central Excise
i) B-2 Bond of Rs. 50000/-
ii) B-11 Bond of Rs. 5,00,000/-
(d) Central Excise (CHVT Credit of Service Tax)
(e) Central Excise (Excise Duty Demand)
(f) Bank Guarantee Given to Collector of Central Excise

10,000.00	10,000.00
200,000.00	200,000.00
50,000.00	50,000.00
600,000.00	600,000.00
578,000.00	578,000.00
533,000.00	533,000.00
125,000.00	125,000.00
2,096,000.00	2,096,000.00

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2012

(All amounts in Indian Rupees)

NOTE 11 : FIXED ASSETS

PARTICULARS	Rates	GROSS BLOCK			DEPRECIATION			Impairment		NET BLOCK	
		AS AT 31.03.2011	ADDITION	DEDUCTION AS AT 31.03.2012	AS AT 31.03.2012	FOR THE YEAR	Transfer to Res. reserve	Net dep. Charge for P & L	AS AT 31.03.2011	AS AT 31.03.2012	AS AT 31.03.2011
A. Tangible Assets											
Land		28,150,823.00	-	-	28,150,823.00	-	-	-	-	28,150,823.00	28,150,823.00
Buildings	3.34%	85,184,879.00	-	-	85,184,879.00	28,452,54.55	1,763,646.00	1,091,598.55	41,763,457.55	43,403,220.45	48,248,455.00
Plant and Equipment	5.25%	120,718,000.00	-	-	120,718,000.00	38,387,67.00	3,938,747.00	-	88,165,676.00	32,552,024.00	30,390,771.00
		14,531,072.00	1,132,550.00	-	15,663,622.00	794,830.90	-	798,830.90	3,302,449.50	12,161,172.50	11,828,453.00
Furniture and fixtures	16.10%	821,487.00	-	-	821,487.00	114,87.76	-	11,457.76	586,841.76	51,845.24	63,303.00
Computer	40.00%	1,017,941.00	-	-	1,017,941.00	26,082.72	-	26,082.72	978,718.72	38,124.28	85,207.00
Vehicles	28.89%	974,453.00	-	-	974,453.00	37,003.74	-	37,003.74	863,528.74	905,923.26	142,927.00
Office Equipments	13.91%	907,246.00	-	-	907,246.00	14,234.25	-	14,234.25	818,148.25	88,086.75	102,331.00
Staff Quarters	1.63%	4,021,208.00	-	-	4,021,208.00	85,446.00	88,048.00	0.488.00	742,435.00	3,278,765.01	3,344,311.00
Lab Equipment	13.91%	718,585.00	-	-	718,585.00	14,478.12	-	14,478.12	698,991.12	88,593.68	104,070.00
Building Cont. Machinery	15.33%	38,953.00	-	-	38,953.00	79.37	-	79.37	38,513.37	439.03	518.00
Typewriter	13.91%	0,464.00	-	-	0,464.00	119.90	-	119.90	8,721.90	742.10	882.00
Airconditioner	13.91%	171,724.00	-	-	171,724.00	8,660.55	-	8,660.55	128,283.55	42,480.45	49,321.00
Total		257,105,525.00	1,132,550.00	-	258,238,075.00	7,886,072.46	5,617,440.00	2,065,232.46	138,273,845.46	119,964,225.56	126,488,362.00
Previous year		254,164,763.50	3,650,008.00	709,307.00	257,105,525.01	7,511,78.26	5,617,440.00	1,859,738.26	130,817,173.76	125,488,351.25	131,027,237.80

Note:-

The Gross Block of Fixed Assets includes Rs. 8,36,84,607/- (Previous Year Rs. 9,91,57,947/-) on account of Revaluation of Fixed Assets carried out since 2002. Consequent to the said revaluation there is an charge of depreciation of Rs. 56,51,448/- (Previous Year Rs. 56,51,448/-). This has no impact on Profit or Loss for the year.

(All amounts in Indian Rupees)

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2012

PARTICULARS	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
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NOTE 12 : REVENUE FROM OPERATIONS

(a)	Revenue from - Sale of Product	136,576,170.00	162,684,940.00
(b)	Less: Excise duty	6,510,652.00	7,290,982.00
	Total	130,065,518.00	155,393,958.00

Particulars of Sale of Products

i	Sale of Gelatine	66,917,468.00	79,711,025.00
ii	Sale of Di-Calcium Phosphate	40,180,772.00	38,044,125.00
iii	Sale of Ossein	29,477,930.00	44,929,790.00
		136,576,170.00	162,684,940.00

NOTE 13 : OTHER INCOME

1.	Other Income		
(a)	Interest Income	223,311.00	184,706.00
(b)	Dividend Income	-	-
(c)	Miscellaneous Receipts	78,639.00	1,503,986.00
(d)	Other non-operating income (net of expenses directly attributable to such income)	(130,602.54)	(3,112.75)
(e)	Loss/profit on sale of fixed assets	-	581.00
		171,347.46	1,686,180.25

NOTE 14 : COST OF MATERIAL CONSUMED

1.	Raw Material		
(a)	Balances of Raw Material at the beginning of the reporting period	6,310,150.73	1,291,028.00
(b)	Add:- Addition during the year	71,118,681.42	88,124,050.63
(c)	Less:- Balances of Shares at the end of the reporting period	1,369,220.96	6,310,151.73
(d)	Cost of Raw Material Consumed	76,059,611.19	83,104,926.55
	Total	76,059,611.19	83,104,926.55

NOTE 15 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE

1.	Changes in inventories of finished goods	(10,027,301.65)	4,245,371.60
2.	Changes in inventories of work-in-progress	(13,826,305.93)	(3,344,051.15)
		<u>(23,853,607.58)</u>	<u>901,320.80</u>

NOTE 16 : EMPLOYEE BENEFITS EXPENSE

1.	Salaries & Wages	14,051,942.00	13,964,888.00
2.	Contribution to Provident and Other fund	2,360,071.00	2,112,588.00
3	Staff Welfare Expenses	2,846,312.00	1,558,936.00
		<u>19,258,325.00</u>	<u>17,656,410.00</u>

NOTE 17 : FINANCE COST

1.	Interest Expense	3,350,984.00	1,732,431.00
		<u>3,350,984.00</u>	<u>1,732,431.00</u>

NOTE 18 : DEPRECIATION AND AMORTISATION EXPENSE

	Depreciation and Amortisation	7,656,672.46	7,511,178.26
	Less :- Transferred to Revaluation Reserve	5,651,440.00	5,651,440.00
	Total	<u>2,005,232.46</u>	<u>1,859,738.26</u>

NOTE 19 : OTHER EXPENSES

Manufacturing Expenses		
Consumption of Stores & Spare Parts		
Power & Fuel	21,057,734.87	3,256,785.34
Repair to buildings	20,156,609.26	34,162,513.23
Repair to machinery	722,583.00	869,235.00
	265,042.00	333,827.00
SELLING & DISTRIBUTION EXPENSES		
Sales Tax -Gal (On Sale)		
Sales Tax-DCP(On Sale)	2,426,702.00	3,014,670.00
Sales Tax-Ossein(On Sale)		
Export Tax-Gelatine	671,009.00	880,086.00
Export Tax-DCP	71,886.00	81,372.00
Export Tax-Ossein	40,258.00	37,439.00
Discount on sales	29,449.00	45,295.00
Freight Charges		10,200.00
Loading Charges	(19,538.00)	151,633.00
Transport Charges	2,430,369.00	2,346,716.00
Cartage		13,669.00
Sludge Disposal Charges	29,088.00	55,853.00
		335,562.00
Establishment Expenses		
Payment to the Auditors:		
(a) As Auditors		
(b) For Taxation matters	55,150.00	76,472.00
Rent	5,515.00	7,797.00
Insurance	800.00	76,562.00
Rates & Taxes, excluding taxes on income	99,990.00	100,000.00
Other expenses (sub line items required to be given separately)	282,291.00	608,574.00
Miscellaneous expenses	3,384,562.21	3,029,910.28
Any item of expenditure which exceed 1 % of revenue from operations or Rs. 1 Lakh, whichever is higher	95,688.00	99,361.00
Water *		
Repairs and maintenance - Others *	120,000.00	144,766.00
Travelling and conveyance *	172,052.00	68,471.00
Printing and stationery*	501,155.00	381,996.00
Sales commission *	124,367.00	137,331.00
Donations and contributions	215,000.00	379,298.00
Legal and professional *	16,852.00	11,004.00
	385,417.00	865,349.00
	53,340,029.34	51,581,766.85

NOTE 20 : CURRENT TAX

1. Any interest on shortfall in payment of advance income-tax is in the nature of finance cost and hence should not be clubbed with the Current Tax. The same should be classified as Interest Expense under Finance Costs. However, such amount should be separately disclosed.	14,200.00	15,000.00
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Other Notes to Accounts as per Existing Schedule - VI

Note 21 - 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. For details related to Contingent Liabilities refer Note No.10.
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. 17.75 Lakhs (Prev. year Rs.4.01 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 2009-10 relevant to previous year ended on 31.03.2009. Assessment relating to assessment year 2010-11 is in progress.

5. Auditors Remuneration (including service tax)	2011-12 (₹)	2010-11 (₹)
Audit Fees	55,150	55,150
Tax Audit Fees	5,515	5,515
	<u>60,665</u>	<u>60,665</u>
	=====	=====

6. 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 and also due to the old machinery used in production.

7. OTHER EXPENSES	2011-12 (₹)	2010-11(₹)
PF Admn.Charges	151049.00	133461.00
Advt. & Publicity	11735.00	0.00
Bank Charges	32266.00	19681.28
Hire Charges	641190.00	643322.00
Lab.Expenses	21384.00	33692.00
L.W.Fund (Employers'cont)	7352.00	7442.00
Service Tax on freight in/out	176052.00	406748.00
Directors Sitting Fees	10000.00	95000.00
Office Expenses	34614.00	14318.00
Pooja Expenses	59673.00	55277.00
Postage	15891.00	37400.00
Security Service	754539.00	715169.00
Vehicle Maint.	59272.21	53280.00
Repairs to Air conditioner	6039.00	0.00
Licence Fees	98638.00	57238.00
AGM Expenses	39562.00	15248.00
Listing Fees	32793.00	27337.00
Telephone Charge	291439.00	481568.00
Filing Fees	3520.00	0.00
Diwali Expenses	50000.00	22500.00
Company's Prof. Tax	2500.00	2500.00
Courier Charges	12370.00	12414.00
Uniform & Laundry	165880.00	196315.00
Water and Pollution fee	351431.00	0.00
Vat on Purchase	355373.00	0.00
Total	<u>3384562.21</u>	<u>3029910.28</u>

8. 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. Sachiv Sahni	Chairman & Managing Director
2.	Mr. Jaspal Singh	Joint 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	(₹) Lakhs	10.91
c. Transactions with Subsidiary/ Associate Company	Amount (₹ in lakhs)	
Outstanding balance included in Unsecured Loans		18.28

9. Disclosure in terms of Accounting Standard 20 regarding Earning per Share issued by the Institute of Chartered Accountants of India

Earning per Share

	Year ended 31.03.2012	Year ended 31.03.2011
	(₹)	(₹)
Profit/ (Loss) after Tax	62,091	2,28,524
Weighted average Nos. of Equity Shares	4813300	4813300
Earning per share (Weighted Average)	Rs. 0.01	Rs. 0.05

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

10. 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 realization 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.

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

		2011-12		2010-11	
		Quantity	Value	Quantity	Value
		Kgs.	Rupees	Kgs.	Rupees
a)	Bones	3249334	64618844	3825981	6,61,78,241
b)	Hydrochloric Acid	4137975	5178266	4830360	1,02,00,929
c)	Lime	948725	4602678	1027640	48,00,170
d)	Chemicals	1659823	-		19,25,587
Details of Captively Consumed Ossein :					
Opening Stock as per Stocks-in-process		376697	47087104	349401	4,36,75,076
Production during the year		812334	-	956495	-
TOTAL		1189031		1305896	
Less Closing Stock as per Stocks-in-process		386872	59965160	376697	4,70,87,104
Consumption		802159	-	929199	-
=====					
Production of Gelatine out Of Ossein Consumed		252058	-	288389	-

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

	Licenced Capacity	Installed Capacity	Production Quantity	Opening Stock		Closing Stock	
				Quantity	Value	Quantity	Value
Gelatine	1000	1000	252.058	15.284	38.97	42.242	143.62
	(1000)	(1000)	(288.389)	(37.445)	(86.12)	(15.284)	(38.97)
Ossein	1000	1800	305.542	4.650	4.46	0.000	0.000
	(1000)	(1800)	441.815	0.000	0.000	4.650	4.46
Dicalcium Phosphate	1600	3600	1581.200	1.000	0.24	1.000	0.32
	(1600)	(3600)	(1573.000)	(0.00)	(0.00)	(1.00)	(0.24)

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

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

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

15. In view of insufficient information from suppliers regarding their status as Micro, Small and Medium Sale Unit as per the Micro, Small and Medium Enterprises Development Act, 2006 as the amount overdue, if any, to them cannot be ascertained.

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

I. Registration Details

Registration No.	23206	State Code	11
Balance Sheet	Date 31 Month 03	Year 12	

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	229,219	Total Assets	229,219
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SOURCES OF FUNDS

Paid-up Capital	48,133	Reserves & Surplus	96,220
Secured Loans	-	Unsecured Loans	84,865

APPLICATION OF FUNDS

Net Fixed Assets	119,864	Investments	Nil
Net Current Assets	109,254	Misc. Expenditure	Nil
Accumulated Losses			

IV. Performance of Company (Amount Rs. in Thousands)

Turnover	130,237	Total Expenditure	130,161
Profit (Loss) Before Tax	76	Profit (Loss) After Tax	14
Earning Per Share In Rs.	0.01	Dividend Rate %	Nil

V. Generic Names of Three Principal Products/Service of Company.
(As per Monetary terms).

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

As per our Report of even date

For Trivedi & Reshamwala Associates

Chartered Accountants

For & on behalf of Board of Directors

Hitesh Reshamwala

Proprietor

M. No. 41723

F. R. No. 111041W of 15.03.1990

PLACE : Bhopal

Date : 25.05.2012

Sachiv Saini

Chairman & Managing Director

Jaspal Singh

Joint Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

	AS AT 31.03.2012 RUPEES	AS AT 31.03.2011 RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	76,291.06	243,623.79
ADJUSTMENTS FOR		
Depreciation		
Interest Paid	2,006,232.46	1,869,738.26
Provision for Taxation	3,360,984.00	1,732,431.00
Expenses related to Previous Year	14,200.00	15,000.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
ADJUSTMENTS FOR	5,418,307.51	3,820,693.06
Sundry Debtors		
Other Current Assets	10,866,498.84	(4,644,689.71)
Loans & Advances	3,068,909.00	2,715,675.00
Inventories	1,640,376.36	(2,160,791.15)
Trade Payable	(1,132,550.00)	(4,888,129.66)
	(1,132,550.00)	3,504,952.03
CASH GENERATED FROM OPERATIONS	(6,961,788.22)	(1,752,390.44)
Direct taxes Paid/Refund	(23,841.00)	(126,995.50)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(6,985,429.22)	(1,878,385.94)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(6,985,429.22)	(1,878,385.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Sale of fixed Assets	(1,132,550.00)	(3,650,068.00)
		677,775.00
NET CASH USED IN INVESTING ACTIVITIES (B)	(1,132,550.00)	(2,972,292.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings		
Repayment of borrowing	(7,761,500.00)	21,464,383.00
Interest Paid	(3,360,984.00)	(1,732,431.00)
NET CASH USED IN FINANCING ACTIVITIES (C)	(11,112,484.00)	19,731,952.00
(A+B+C)	(19,230,463.22)	14,881,273.72
D. NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and Bank equivalents as at 1.4.2011	22,180,269.83	7,295,996.11
Cash and Bank equivalents as at 31.03.2012	2,949,806.61	22,180,269.83
	(19,230,463.22)	14,881,273.72

As per our Report of even date

For TRIVEDI & RESHAMWALA ASSOCIATES
Chartered Accountants(HITESH RESHAMWALA)
PROPRIETORPLACE : Bhopal
DATED : 25/05/2012

For & on behalf of Board of Directors

Sachiv Sahn
Chairman & Managing DirectorJaspal Singh
Joint Managing Director

C.J. Gelatine Products Limited

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

PROXY FORM

Folio No: _____

I/We _____ resident of _____
 _____ being a member/members of M/s C.J. Gelatine Products Ltd.
 hereby appoint _____ resident of _____
 _____ as my/our proxy to vote for me/us on my/our behalf
 at the Thirty Second Annual General Meeting of the Company to be held at Tokersi Jivraj Wadi, Acharya
 Donde Marg, Sewri (W), Mumbai:400 015. at 12.30 P.M. on Saturday, the 14 day of July 2012 and at any
 adjournment thereof.

Affix
 15 paise
 Revenue
 Stamp

Signed this _____ day of _____, 2012

Signature _____

Note:

1. A Proxy need not be a Member of the Company.
2. This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

C.J. Gelatine Products Limited

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

ATTENDANCE SLIP

Folio No: _____

I hereby record my presence at the Thirty Second Annual General Meeting of the Company held
 on the Saturday, the 14 day of July 2012 at 12.30 P.M. at registered office of the company at Tokersi
 Jivraj Wadi, Acharya Donde Marg, Sewri (W), Mumbai:400 015.

Member's/Proxy's name in block letters

Member's/Proxy's signature

NOTE : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING PLACE.

BOOK-POST

02 * 22/07/2012

C. J. GELATINE PRODUCTS LTD

C.J. Gelatine Products Limited

Registered Office: Tokersji Wadi, Acharya Donde Marg, Sewri (W), Mumbai-400 015

PROXY FORM

I/We _____
being a member(s) of C.J. Gelatine Products Limited
do hereby appoint _____
as my/our proxy to attend and vote at the 36th Annual General Meeting of the Company to be held at Tokersji Wadi, Acharya Donde Marg, Sewri (W), Mumbai-400 015 on Saturday, the 14th day of July 2012 at 12.30 P.M.

Signed this _____ day of _____ 2012

Signature _____

Stamp _____

NOTE:
1. A proxy need not be a Member of the Company.
2. The proxy should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

3. The proxy should be signed and stamped by the member(s) and countersigned by the Company Secretary.

C.J. Gelatine Products Limited
Registered Office: Tokersji Wadi, Acharya Donde Marg, Sewri (W), Mumbai-400 015

ATTENDANCE
No. of Shares _____

If Undelivered, please return to:
C.J. GELATINE PRODUCTS LIMITED
Tokersji Wadi,
Acharya Donde Marg,
Sewree (w), Mumbai - 400 015.

NOTE: Please fill in this stub and hand it over at the ENTRANCE OF THE MEETING PLACE