



Annual Report 1998-99

**INDIA GELATINE
&
CHEMICALS LIMITED**



INDIA GELATINE & CHEMICALS LTD.

77, Mittal Chambers, 7th Floor, 228, Nariman Point, Post Box No. 11620, Mumbai - 400 021.
Tele. : 202 0341 Gram : MAHODADHI Telex: 011-82522 Facsimile : 284 5522

Dear Shareholder,

Sub : Share Department and other Shares related matters.

You are aware that presently Share Transfer activities and other matters related to shares & dividend of the Company are being undertaken by **M/s. MCS SOFTWARE SOLUTIONS LTD.**, (formerly known as Mafatlal Consultancy Services (India) Ltd., **RAJAN HOUSE, OPP. CENTURY BAZAR, PRABHADEVI, MUMBAI - 400 025, TELEPHONE NO. (022) 430 2930, FAX NO. (022) 437 9417.**

Kindly note that **M/s. MCS SOFTWARE SOLUTIONS LTD.** have been appointed as R & T firm to undertake transfer related activities, dividend payment etc.

You are therefore requested to :

- 1) send Transfer Deeds alongwith Share Certificates directly to **M/s. MCS SOFTWARE SOLUTIONS LTD.**
- 2) inform the change in your address & contact for any matters related to shares and dividend directly to **M/s. MCS SOFTWARE SOLUTIONS LTD.**

Thanking you,

Yours faithfully,
for **INDIA GELATINE & CHEMICALS LTD.**

K. P. VAGADIA
COMPANY SECRETARY

Regd. Office : 703/704, "SHILP", 7th Floor, Near Municipal Market, C. G. Road, Navrangpura, AHMEDABAD - 380 009. (Gujarat)
Factory : Plot No. 1-A, G. I. D. C. Industrial Estate, National Highway, Vapi - 396 195. (Gujarat)
Gram : INDOGEL - VAPI, PHONE : (02638) 30946/32918/31741/24740/1/2 Facsimile : (02638) 30795

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INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman

NALIN KARSONDAS VISSANJI

Managing Directors

NAVINCHANDRA RAMDAS MIRANI
CHANDRASINH HANSRAJ MIRANI

Directors

N. C. MIRANI
N. KATAGIRI
D. R. BHARUCHA
M. D. VORA
S. MIYAZAWA
K. KURITANI
A. OKUTANI (UPTO 28-04-99)
Y. H. SAITO (UPTO 28-04-99)
S. NAKAO (FROM 28-04-99)
T. KONISHI (FROM 28-04-99)

Company Secretary

K. P. VAGADIA

Auditors

MAHENDRA N. SHAH & CO.
Chartered Accountants
E-3, Capital Commercial Centre,
Ashram Road, Ahmedabad - 380 009.

Head Office :

77, Mittal Chambers,
228, Nariman Point,
Mumbai - 400 021.

Factory :

Plot No. 1A, GIDC Industrial Estate,
National Highway No. 8,
Vapi - 396 195 (Gujarat)

Registered Office :

703/704, 'SHILP', 7th Floor,
Near Municipal Market,
Sheth C. G. Road, Navrangpura,
Ahmedabad - 380 009.
Tel.: (079) 6466737

Registrar & Securities Transfer Agent :

MCS Software Solutions Ltd.
Rajan House, Opp. Century Bazar,
Prabhadevi, Mumbai 400 025
Tel.: (022) 4210114

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FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Sr. No.		1994-95	1995-96	1996-97	1997-98	1998-99
1.	Shareholders' Funds	4062	4977	5669	6402	7176
2.	Loan Funds	449	527	2426	3103	2975
3.	Debt Equity Ratio	1:0.11	1:0.11	1:0.43	1:0.48	1:0.42
4.	Sales & Other Income	2683	3630	4802	6192	5403
5.	Profits (Subject to Depreciation & Tax)	902	1418	1060	1273	1377
6.	Net Profit (Subject to Tax)	851	1360	945	973	1064
7.	Profit after Tax	671	1070	823	866	964
8.	Book Value of share(Rs.)	191.60	*58.69	66.85	75.50	84.62
9.	Dividend per share (Rs.)	3.00	@1.50	1.30	1.30	2.00
10.	Bonus shares issued	--	3:1	--	--	--

*After Bonus Issue

@On enhanced capital



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NOTICE

NOTICE be and is hereby given that the Twenty Seventh Annual General Meeting of the Members of **INDIA GELATINE & CHEMICALS LIMITED** will be held at Gajjar Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006, on Monday, the 13th day of September, 1999 at 11.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet as on 31st March, 1999 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend.
3. To appoint a Director in place of Shri N. R. Mirani, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri N. C. Mirani, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri N. Katagiri, who retires by rotation but being eligible offers himself for re-appointment.
6. To appoint a Director in place of Shri Nalin K. Vissanji, who retires by rotation but being eligible offers himself for re-appointment.
7. To appoint Auditors for the year 1999-2000 and to fix their remuneration.

SPECIAL BUSINESS :

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

1. SPECIAL RESOLUTION 1 :

The Following Article No. 4A with marginal note as indicated be inserted after the existing Article No. 4 in the Articles of Association of the Company.

SHARES WITHOUT VOTING RIGHTS :

"4A - Notwithstanding anything contained in these Articles in the event it is permitted by law to issue Shares without voting rights attached to them, the Board of Directors may issue such Shares upon such terms and conditions and with such rights and privileges annexed thereto as they may deem fit and as may be permitted by the law".

2. SPECIAL RESOLUTION 2 :

The following Article No. 17A with marginal note as indicated be inserted after the existing Article No. 17 in the Articles of Association of the Company.

BUY-BACK OF SHARES 17A Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted under the law.

3. SPECIAL RESOLUTION 3 :

The following Heading and Article with marginal note as indicated be inserted as Articles No. 53A after the existing Article No. 53 in the Articles of Association of the Company.

53A DEMATERIALISATION OF SECURITIES

- i Dematerialisation
of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

- ii Definitions

For the purpose of this article :

'Beneficial Owner' means a person or persons



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whose name(s) is/are recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India;

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and

'Security' means such security as may be specified by SEBI from time to time.

"Act" means the Companies Act, 1956

iii Options for investors

Every person subscribing to security offered by the Company shall have the option to receive security certificates or to hold the security in a dematerialised form with a depository. Such a person who is the beneficial owner of the security can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and Rules, if any, prescribed thereunder, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

iv Securities in Depositories to be in fungible form

All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

v. Rights of Depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting the transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled



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|---|--|
| vi. Service of Documents | to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository. |
| vii. Transfer of Securities | Notwithstanding anything contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. |
| viii. Allotment of Securities dealt with in a Depository Securities | Nothing contained in Section 83 and 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository. |
| ix. Distinctive numbers of Securities held in a Depository | Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a dematerialised form with a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities. |
| x. Register and Index of Beneficial Owners | Nothing contained in the act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. |
| xi Investment of the Company | The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles. |
| xii. Other matters | Notwithstanding anything contained in the Act or these Articles, the Company can hold its investments in the name of a Depository when such investments are in the form of securities held by the Company as a Beneficial Owner. |

4. SPECIAL RESOLUTION 4 :

The Following Article No. 143A with marginal note as indicated be inserted after the existing Article No. 143 in the Articles of Association of the Company.

MODE OF PAYMENT OF DIVIDEND, INTEREST ETC.

"143A - the Company may pay dividend interest or other moneys payable to the Members / Security Holders by a Cheque or Warrant sent to the Registered address or by electronic transfer of funds to the Bank Account of the Members / Security Holders entitled to the dividend, interest or other moneys or according to the order of such members / Security Holders".

5. SPECIAL RESOLUTION 5 :

The following new Articles with marginal notes as indicated be inserted as Article 30A and 30B after the existing article 30 in the Articles of Association of the Company.



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30A Nomination :

1. Notwithstanding anything contained in these articles of the Company, every shareholder or debentureholder of the Company, may at anytime, nominate, in the prescribe manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
2. Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

30B. Transmission of Securities by nominee

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -

- (i) to be registered himself as holder of the share or debenture, as the case may be; or
- (ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debentureholder could have made;
- (iii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder as the case may be;
- (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

6. SPECIAL RESOLUTION 6 :

"RESOLVED that the Company hereby accords its consent to the payment under Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and any other provisions of the Applicable statutory enactments, and further subject to the approval of the Central Govt. & further subject to such modifications as may be required by the Government, to Shri Viren C. Mirani, a relative of a few of the Directors of the Company, to hold and continue to hold an office or place of profit under the Company, as Chief Executive Officer with the Company on such salary, perks & allowances as may be fixed by the Board of Directors from time to time, so that the total remuneration so paid shall not exceed at any time Rs. 50,000 per month".

"FURTHER RESOLVED that the Board of Directors be and is authorised to agree to any modification or variation that may be suggested by the Central Government in according its sanction to the aforesaid payment of remuneration".

"FURTHER RESOLVED that the payment of the remuneration as may be fixed by the Board of



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Directors of the Company be made effective from 1st October, 1999, & that the same be subject to such modification as may be made by the Central Govt., while granting its approval".

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

1. ORDINARY RESOLUTION 1 :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act"), this Meeting hereby approves the terms of Re-appointment of Shri N. R. Mirani, the Managing Director of the Company, with effect from 1-9-2000 to 31-8-2005 upon the terms and conditions including payment of remuneration, perquisites, and commission payable to him as under or in such other manner as may be decided by the Board.

a) Salary :

Rs. 70,000/- per month which may be modified from time to time by the Board of Directors in accordance with and within the limits laid down in Part II of Schedule XIII of the Act, as amended from time to time.

b) Perquisites :

The Managing Director will be entitled to the following perquisites with an authority to the Board to grant, alter or vary from time to time, the amount and type of perquisites payable to him, but within the overall limits of remuneration prescribed under Part II of Schedule XIII of the Companies Act, 1956 :

i) Housing :

- The expenditure by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the Managing Director.
- In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
- In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity, water, etc. will be evaluated as per Rule 3(d)(ii) of the Income Tax Rules, 1962.

The expenditure on Furnishing shall be limited to such amount as the Board may approve, subject to a ceiling that the perk value thereof evaluated as per I.T. Rules shall not exceed 10% of the salary.

ii) Medical Reimbursement :

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years. He shall also be entitled to the benefit of Medical Treatment referred to in Proviso to Section 17(2) of the Income Tax Act, 1961 or to such modifications as may be made from time to time.

iii) Leave Travel Concession :

For self and family once in a block of two years within such limits as may be approved by the Board of Directors from time to time and as permitted by the Income Tax Act or any amendments thereto from time to time.

iv) Club Fees :

Such number of clubs as may be approved by the Board and will not include admission and life membership fees.

v) Personal Accident Insurance :

Reimbursement of premium as may be decided by the Board.

vi) Contribution to Provident Fund & Other Funds :

The Company shall pay an amount as per the Company's Rules.