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**Annual Report 1999-2000**

**INDIA GELATINE  
&  
CHEMICALS LIMITED**

INDIA GELATINE &amp; CHEMICALS LTD.



## CONTENTS

	Page No/s.
Board of Directors	3
Financial Highlights	4
Notice	5-9
Directors' Report	10-15
Auditors' Report	16-17
Balance Sheet	18
Profit & Loss Account	19
Schedules and Notes to Accounts	20-30
Balance Sheet Abstract	31-32
Cash Flow Statement	33-34
Proxy/Attendance Slip	35

INDIA GELATINE & CHEMICALS LTD.



## BOARD OF DIRECTORS

*Chairman*

NALIN KARSONDAS VISSANJI

*Managing Directors*

NAVINCHANDRA RAMDAS MIRANI

CHANDRASINH HANSRAJ MIRANI

*Executive Director*

VIREN C. MIRANI

*Directors*

N. C. MIRANI

N. KATAGIRI

D. R. BHARUCHA

M. D. VORA

S. MIYAZAWA

K. KURITANI

S. NAKAO (UPTO 21-07-2000)

T. KONISHI

M. AOKI (FROM 21-07-2000)

*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) 8518674



INDIA GELATINE &amp; CHEMICALS LTD.

**FINANCIAL HIGHLIGHTS**

(Rs. in lacs)

Sr. No.		1995-96	1996-97	1997-98	1998-99	1999-2000
1.	Shareholders' Funds	4977	5669	6402	7176	7969
2.	Loan Funds	527	2426	3103	2975	3053
3.	Debt Equity Ratio	1:0.11	1:0.43	1:0.48	1:0.42	1:0.38
4.	Sales & Other Income	3630	4802	6192	5403	5411
5.	Profits (Subject to Depreciation & Tax)	1418	1060	1273	1377	1413
6.	Net Profit (Subject to Tax)	1360	945	973	1064	1089
7.	Profit after Tax	1070	823	866	964	989
8.	Book Value of share(Rs.)	*58.69	66.85	75.50	84.62	93.97
9.	Dividend per share (Rs.)	@ 1.50	1.30	1.30	2.00	2.00
10.	Bonus shares issued	3:1	--	--	--	--

\*After Bonus Issue

@On enhanced capital



Our Company was the recipient of a special award instituted by the Chemical and Allied Products Export Promotion Council for outstanding OSSEIN performance and promotional activities. In the picture above our Director Shri. N. C. Mirani is seen receiving the award at the hands of Justice Sri Shyamal Kumar Sen, Hon'ble Governor of West Bengal on 28th October, 1999 at Calcutta.

## INDIA GELATINE &amp; CHEMICALS LTD.



## NOTICE

NOTICE be and is hereby given that the Twenty Eighth 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 Friday, the 29th day of September, 2000 at 11.00 a.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet as on 31st March, 2000 and the Profit and Loss Account for the year ended on that date.
2. To declare a dividend.
3. To appoint a Director in place of Shri C. H. Mirani, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. Kuritani, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. M. Aoki, who retires by rotation but being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. T. Konishi, who retires by rotation but being eligible offers himself for re-appointment.
7. To appoint Auditors for the year 2000-2001 and to fix their remuneration.

**SPECIAL BUSINESS :**

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

"RESOLVED THAT Shri Viren C. Mirani for the candidature of whom a notice u/s 257 is received be and is hereby appointed as a Director on the Board of Directors of the Company".

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

"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 appointment of Shri Viren C. Mirani, the Executive Director of the Company, with effect from 21.07.2000 to 31.03.2005 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. 35,000/- 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 Executive 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



## INDIA GELATINE & CHEMICALS LTD.

### i) Housing :

- a) The expenditure by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary.
- b) In case the accommodation is owned by the Company, 10% of the salary of the Executive Director shall be deducted by the Company.
- c) In case no accommodation is provided by the Company, the Executive 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) 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 twice in a block of four 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.

### vii) Gratuity :

As per the rules of the Company, but shall not exceed half month's salary for each completed year of service.

### viii) Leave Encashment :

The Executive Director shall be entitled to fully paid leave as per the Company's Rules. *Encashment of leave at the end of the tenure is permitted.*

*[Contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity & Leave Encashment as per Clause (vi), (vii) & (viii) is not taxable under the Income Tax Act and shall not be included in the computation of the ceiling on the perquisite specified above.]*

### ix) The Company shall provide a car for use on Company's business and also for personal purposes and telephone at the residence of the Executive Director. The Executive Director shall be billed by the Company for personal long distance calls on telephone and perks for the use of car for private purposes shall be evaluated as per Income Tax Rules.

### x) The Executive Director shall be entitled to such other benefits or amounts as may be approved by the Board, so as to be within the limits prescribed under Schedule XIII of the Companies Act, 1956.

## INDIA GELATINE &amp; CHEMICALS LTD.

**MINIMUM REMUNERATION :**

In the event of loss or inadequacy of profits, the Executive Director shall be entitled to receive the above remuneration, perquisites and benefits as Minimum Remuneration as provided in Section II of Part II of Schedule XIII of the Act as notified from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix up remuneration, allowances and perks for Shri V. C. Mirani from time to time within the aggregate and overall limit of Rs. 50,000/- per month.

"RESOLVED FURTHER THAT as the above remuneration is the minimum remuneration that could be paid to the Executive Director in the event of loss or inadequacy of profits and within the said limits the actual salary & perk allowed shall be determined by the Board".

"RESOLVED FURTHER THAT as may be mutually agreed between Shri V. C. Mirani and the Board, it may at its option consider to grant increment in remuneration to the Executive Director not exceeding Rs. 10,000/- per month every year, during the course of his tenure of appointment."

**COMMISSION :**

"RESOLVED FURTHER THAT in the event of there being sufficient and adequate profits worked out as per the provisions of Section 349 of the Companies Act, 1956 and within individual limit of 5% and overall limit of 10% of such net profits, the Executive Director could also be paid a remuneration by way of commission alongwith the other two Managing Directors of the Company on such net profits as may be decided by the Board and agreed upon by the Executive Director, on ascertainment of the net profits at the close of each year, over and above the remuneration referred to in the preceding para and that such remuneration shall be deemed to accrue at the close of the year".

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

"RESOLVED THAT in supersession of resolution passed at item no. 9 (1) (c) in the case of Shri N. R. Mirani and item no. 9(2) (c) in the case of Shri C. H. Mirani, the Managing Directors of the company, as regards provision for payment of commission by the Board of Directors of the company and approved by the shareholders of the company at its last Annual General Meeting, the following paragraph be inserted as para no. 9(1) (c) and para no.9(2)(c) respectively, in substitution of the earlier resolution."

Item No. 9 (1) (c) :-

"RESOLVED FURTHER THAT in the event of there being sufficient and adequate profits worked out as per the provisions of Section 349 of the Companies Act, 1956 and within the individual limit of 5% and overall limit of 10% of such net profits, the Managing Directors could also be paid a remuneration by way of commission on such net profits as may be decided by the Board and agreed upon by the Managing Director on ascertainment of the net profits at the close of each year over and above the remuneration referred to in the preceding para and that such remuneration shall be deemed to accrue at the close of the year".





## INDIA GELATINE & CHEMICALS LTD.

Item No. 9 (2) (c) :-

"RESOLVED FURTHER THAT in the event of there being sufficient and adequate profits worked out as per the provisions of Section 349 of the Companies Act, 1956 and within the individual limit of 5% and overall limit of 10% of such net profits, the Managing Directors could also be paid a remuneration by way of commission on such net profits as may be decided by the Board and agreed upon by the Managing Director on ascertainment of the net profits at the close of each year over and above the remuneration referred to in the preceding para and that such remuneration shall be deemed to accrue at the close of the year".

FURTHER RESOLVED THAT the company do enter into supplementary agreements with Shri N. R. Mirani and Shri C. H. Mirani, the Managing Directors of the company to incorporate the modified clause in the manner as above in respect of commission payable to them".

By the Order of the Board of Directors

Place : Ahmedabad

Date : 22.07.2000

K. P. VAGADIA

Company Secretary

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NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and that such proxy need not be a member.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20.09.2000 to 29.09.2000 (both days inclusive).
3. Dividend if declared/approved will be paid to the shareholders holding shares of the Company within 42 days from the date of declaration in terms of Section 205-A of the Companies Act, 1956.
4. Draft Agreements proposed to be executed with Shri V. C. Mirani, the Executive Director and Supplementary Agreements of Shri N. R. Mirani and Shri C. H. Mirani, Managing Directors of the Company for appointments and payment of remuneration are open for inspection of the Members at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on any working day.
5. Shareholders who desire to appoint Nominee as per the amended provisions of the Companies (Amendment) Act, 1999 are advised to contact the Registered Office of the Company during working hours for obtaining necessary Nomination Form prescribed by the Government.
6. Explanatory Statement pursuant to Sec. 173(2) is annexed hereto.



## INDIA GELATINE &amp; CHEMICALS LTD.

Explanatory Statement as Required by Section 173 (2) of the Companies Act, 1956.**Re: Items No. 8, 9 & 10**

Dear Members,

The Following Explanatory Statement sets out all material facts relating to items of the special business mentioned in the accompanying notice of the Annual General Meeting to be held on 29th September, 2000.

**Item No. 8**

Shri Viren C. Mirani, the Chief Executive Officer of the Company has been elevated to the post of an Additional Director with effect from 21.07.2000. He ceases to hold office at this General Meeting. A notice in writing has been received from a member of the Company pursuant to Sec 257 of the Companies Act, 1956 proposing the candidature of Shri V.C. Mirani for the appointment as a director of the Company. All of your directors commend the resolution.

**Item No. 9**

Shri Viren C. Mirani, the Chief Executive Officer of the Company, has been rendering most effective services to the company since last about 15 years. The entire Gelatine Plant set up by the company is working under his supervision. He also looks after overall administration, procurement of raw materials & marketing of Gelatine & DCP under the supervision of the Managing Directors of the Company.

Shri V. C. Mirani is appointed as an Executive Director for a period of 4 years 8 months & 11 days with effect from 21.07.2000 to 31.03.2005 on the remuneration by way of Salary, Perquisites, Commission and Benefits and on such other terms and conditions as are set out in Draft Agreement placed before this meeting duly initialled by the Chairman and further also set out in the resolution. Such remuneration is within the limits fixed by the Govt. under Schedule XIII of the Companies Act, 1956.

All of your Directors commend the resolution as they consider the same to be in the interests of the Company.

**Item No. 10**

As a consequence to the appointment of Shri V. C. Mirani as an Executive Director and making provision for payment of commission on the net profits, at the discretion of the Board of Directors of the company, this resolution clarifies that Shri N. R. Mirani, Shri C. H. Mirani and Shri V. C. Mirani, all the 3 working Directors may be paid such commission on the net profits of the company as will not exceed 5% of the net profits in each individual case and 10% of the net profits in aggregate to all the 3 Directors in the event when the Board decides to make payment of commission to the aforesaid working Directors of the company.

The Resolution is clarificatory and consequential to the terms of payment of remuneration fixed by the Board while appointing Shri V. C. Mirani as an Executive Director of the Company. Your Directors commend the resolution.

Shri N. R. Mirani, Shri C. H. Mirani, Shri N. C. Mirani and Shri V. C. Mirani are concerned or interested in the business to be transacted at item nos. 8, 9, and 10 of the accompanying notice.

The Text of the resolution and Explanatory Statement may be treated as an abstract pursuant to section 302 of the Companies Act. 1956.

By the Order of the Board of Directors

Place : Ahmedabad  
Date : 22.07.2000

K.P. VAGADIA  
Company Secretary