

## 30th Annual Report 2001-2002



**INDIA GELATINE & CHEMICALS LIMITED**



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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

D. R. BHARUCHA

M. D. VORA

S. MIYAZAWA

K. C. DALAL

Y. MAEJIMA

T. TANAKA

*Financial Controller-Cum-*

*Company Secretary*

K. P. VAGADIA

*Auditors*

MAHENDRA N. SHAH & CO.

Chartered Accountants

E-3, Capital Commercial Centre,  
Ashram Road, Ahmedabad - 380 009.

E-mail : mnshahco@wilnetonline.net

*Head Office :*

77/78, Mittal Chambers,  
228, Nariman Point,  
Mumbai - 400 021.

*Factory :*

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

*Registered Office :*

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

*Registrar & Securities Transfer Agent :*

Sharepro Services  
Satam Estate, III Floor,  
Cardinal Gracious Road,  
Chakala, Andheri (E)  
Mumbai 400 099  
Tel : (022) 8215168 Fax : (022) 8375646

## INDIA GELATINE &amp; CHEMICALS LTD.



## FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Sr. No.		1997-98	1998-99	1999-2000	2000-2001	2001-2002
1.	Shareholders' Funds	6402	7176	7969	8174	8372
2.	Loan Funds	3103	2975	3053	2199	1139
3.	Debt Equity Ratio	1:0.48	1:0.42	1:0.38	1:0.27	1:0.14
4.	Sales & Other Income	6192	5403	5411	5934	3952
5.	Profits (Subject to Depreciation & Tax)	1273	1377	1413	998	765
6.	Net Profit (Subject to Tax)	973	1064	1089	666	422
7.	Profit after Tax & before Extra Ordinary Items	866	964	989	606	360
8.	Net profit after Extra Ordinary Items	866	964	989	313	321
9.	Book Value of share(Rs.)	75.50	84.62	93.97	96.39	98.73
10.	Dividend per share (Rs.)	1.30	2.00	2.00	1.20	--



## INDIA GELATINE & CHEMICALS LTD.

### NOTICE

NOTICE be and is hereby given that the Thirtieth 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 Thursday, the 12th of September, 2002 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, 2002 and the Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Shri N. R. Mirani, who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N. C. Mirani, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Nalin K. Vissanji, who retires by rotation but being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri K. C. Dalal, who retires by rotation but being eligible, offers himself for re-appointment.
6. To appoint Auditors for the year 2002-2003 and to fix their remuneration.

By the Order of the Board of Directors

Place : Ahmedabad

K. P. VAGADIA

Date : 31-07-2002

Company Secretary

#### Details of Directors seeking reappointment at forth coming Annual General Meeting :

	Shri N. R. Mirani	Shri N. C. Mirani	Shri N. K. Vissanji	Shri K. C. Dalal
1) Date of Birth	29.01.1935	08.06.1960	14.01.1931	20.08.1940
2) Date of Appointment	14.06.1973	24.01.1983	11.03.1974	31.03.2001
3) Qualification	B. Com.	B. Com.	B. Sc.	B. Com., F.C.A.
4) Expertise in Specific FunctionArea.	Industrialist with Rich Business Experience in General.	Industrialist with Rich Business Experience in General.	Industrialist with Rich Business Experience in General.	Practising Chartered Accountant, Partner of C. C. Dalal & Co. Vast Experience in Audit, Taxation & Company Law Matters etc.
5) Directorship in other Public Ltd. Companies	2	1	3	--
6) Membership of committees in other Public Ltd. Companies	--	--	--	--

## INDIA GELATINE &amp; CHEMICALS LTD.



## 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. Proxies in order to be valid must be received by the Company, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 12.09.2002 to 19.09.2002 (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956, all Unclaimed Dividend upto Financial year ended 31st March, 1995 will be transferred to the General Revenue Account of the Central Government. Shareholders, who have yet not claimed their Dividend Warrants for the said period, are requested to claim such dividend immediately.
5. Pursuant to Section 205A(5) of the Companies Act, 1956 as amended, any money transferred to Unpaid Dividend Account of the Company which remain unpaid or unclaimed for a period of 7 (Seven) years from the date of such Transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government and the Shareholders shall not be able to claim any Unpaid Dividend from the said fund or from the Company thereafter.  
  
Member who have not yet encashed the dividend warrant(s) for the Financial Year 1995-96 and any subsequent Dividend payment(s) are requested to make their claims with the company.
6. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
7. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, Members are requested to bring their copies of the Annual Report of the Meeting.
8. Members are requested to inform immediately any change in their address to the Company's Share Transfer Agents.
9. Members can avail of the nomination facility by filling form No. 2B with the Company. Blank forms will be supplied on request.



INDIA GELATINE &amp; CHEMICALS LTD.

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE :

In pursuance of Sec. 292A of the Companies Act and Clause 49 of the Listing Agreement the Company has completed with the requirements of Corporate Governance.

Good Corporate Governance makes excellent business sense. It augments superior Corporate Performance. It is often the distinguishing factor between companies that progress rapidly and companies that stagnate. Good Corporate Governance is continuous process and is achieved through an optimum mix of regulatory compliance disclosures and practices, transparent and fair conduct that enhances the trust of various interest groups like shareholders, employees, suppliers, creditors, customers and society at large.

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company and its management are fully committed to benchmarking itself with global standards in all areas, including Corporate Governance. For IGCL, Corporate Governance is an important corner stone which creates shareholders' value on a sustainable basis. Your company, is already complying various good Corporate Governance Practices during the last few years.

#### 2. BOARD OF DIRECTORS

Composition of the Board :

It is well recognised that there should be optimum combination of executive and non-executive Directors. IGCL's Board meets this requirement as it is consisting of 8 non-executive Directors, out of total 11 directors. The Chairman of the Company is independent director.

Name of the Directors	Category	Number of Directorship in Companies	Number of Chairmanship / membership in Board Committees
Shri Nalin K. Vissanji	Non Exe. Dir.	4	1
Shri N. R. Mirani	Promoter & Mg. Director	3	1
Shri C. H. Mirani	Promoter & Mg. Director	9	1
Shri M. D. Vora	Non Exe. Dir.	1	1
Shri D. R. Bharucha	Non Exe. Dir.	2	-
Shri N. C. Mirani	Promoter & Non Exe. Dir.	2	1
Shri V. C. Mirani	Promoter & Exe. Dir.	2	-
Shri K. C. Dalal	Non Exe. Dir.	1	1
Mr. Y. Maejima	Non Exe. Dir.	1	-
Mr. T. Tanaka	Non Exe. Dir.	1	-
Mr. S. Miyazawa	Non Exe. Dir.	1	-



## INDIA GELATINE &amp; CHEMICALS LTD.

Name of the Directors	Number of Board Meetings held while holding the office	Number of Board Meetings attended while holding the office	Attendance at last AGM
Shri Nalin K. Vissanji	7	3	No
Shri N. R. Mirani	7	7	Yes
Shri C. H. Mirani	7	4	Yes
Shri M. D. Vora	7	7	Yes
Shri D. R. Bharucha	7	6	Yes
Shri N. C. Mirani	7	7	Yes
Shri V. C. Mirani	7	5	Yes
Shri. K. C. Dalal	7	7	Yes
Mr. Y. Maejima	7	0	No
Mr. T. Tanaka	7	0	No
Mr. S. Miyazawa	7	0	No

Numbers of Board Meetings held and the dates of the Board Meetings :

Total 7 Board meetings were held in the year 2001-2002. The dates on which the said meetings were held are as follows:

- |     |            |    |            |    |            |
|-----|------------|----|------------|----|------------|
| (1) | 30.04.2001 | 4) | 25.09.2001 | 7) | 31.01.2002 |
| (2) | 31.07.2001 | 5) | 31.10.2001 |    |            |
| (3) | 10.08.2001 | 6) | 23.11.2001 |    |            |

### 3. AUDIT COMMITTEE :

#### 1. Terms of Reference

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Half Yearly and annual Financial Statements before they are submitted to the Board of Directors.

The Committee also meets the operating Management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee meetings are circulated to the Members of the Board, discussed and taken note of.

#### 2 Composition

The Audit Committee of the Board of Directors was formed in 2001 and as on today it comprises 3 Non-Executive Directors. The committee met 3 times during the year and the attendance of Members at the Meeting was as follows :



## INDIA GELATINE & CHEMICALS LTD.

Name of Member	Status	No. of Meetings Attended
Shri K. C. Dalal	Chairman	3
Shri M. D. Vora	Member	3
Shri N. C. Mirani	Member	3

The Company Secretary is the Secretary of the Committee.

### 4. REMUNERATION COMMITTEE :

#### 1. Remuneration Policy

Remuneration of employees largely consists of base remuneration, perquisites.

The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled, individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organisation and reward merit.

#### 2. Details of Director's remuneration paid for the year ended 31.03.2002

##### 1. Executive Directors :

Name	Salary	Perks	(Rs in Lacs)	
			Retirement Benifit	Total
Shri N. R. Mirani-Mg. Director	17.63	0.37	2.68	20.68
Shri C. H. Mirani-Mg. Director	17.63	0.37	2.68	20.68
Shri V. C. Mirani-Exe. Director	7.98	1.02	1.23	10.23
	43.24	1.76	6.59	51.59

### 5. SHAREHOLDERS' GRIEVANCE COMMITTEE

#### 1. Terms of reference :

To look into the investors' complaints, if any, and to redress the same expeditiously. The committee approves requests for issue of duplicate Share and requests for issue of new certificates on split / consolidation / renewal etc. as also requests for transmission of Shares as may be referred to it by the Share Transfer Committee.

#### 2. Composition :

The Shareholders' Grievance Committee comprises two Managing Directors and Non Executive Director.

During the year, the Committee held 22 meetings and the attendance of Members was as follows :

Name of Member	Status	No. of Meetings attended
Shri N. K. Vissanji	Chariman	15
Shri N. R. Mirani	Member	22
Shri C. H. Mirani	Member	22

The Company Secretary is the Compliance Officer.



## INDIA GELATINE &amp; CHEMICALS LTD.

**6. DISCLOSURES :**

There has been neither any non-compliance, penalty or stricture imposed on the Company by Stock Exchange or SEBI or any Statutory authority, nor for any other matter related to capital markets, during the last three years.

Half yearly report will be sent to the shareholders from the current year.

Quarterly results for each of the quarter are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement.

Quarterly results are normally published in Financial Express, Indian Express and Jansatta.

The Company presently does not have any web site. As and when a web site is set up, the Company will display the quarterly results as well as any official news releases thereon.

No presentations have been made to institutional investors or to the analysts.

As regards Management Discussion & Analysis, please read the relevant paragraph on the subject in the Directors' Report.

**7. GENERAL BODY MEETINGS :**

Details of the location of the last three AGMs and the details of the resolutions passed or to be passed by Postal Ballot are as under;

Details of the last three AGMs are given below :

Year	Consecutive No. of AGM	Held At	Date	Time
1998-1999	27th	Gajjar Hall Nr. Law Garden Ellisbridge, Ahmedabad	13.09.1999	11.00 am
1999-2000	28th	---do---	29.09.2000	11.00 am
2000-2001	29th	---do---	25.09.2001	11.00 am

Whether Special Resolution were put through postal ballot last year ? : No

Are polls proposed to be conducted through postal ballot this year ? : No

**8. SHAREHOLDERS INFORMATION :****1. 30th Annual General Meeting**

Date : 12th September 2002

Time : 11.00 a.m.

Venue : Gajjar Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006

**2. Date of Book Closure : 12.09.2002 to 19.09.2002 (Both days inclusive)****3. Dividend Payment Date : N.A.****4. Listing of Shares**

- Bombay Stock Exchange
- Ahmedabad Stock Exchange

**5. Stock Code :**

Stock Exchange

The Stock Exchange - Ahmedabad

The Stock Exchange - Mumbai

Stock Code

25710

531253