

33rd Annual Report 2004-2005



INDIA GELATINE & CHEMICALS LIMITED

INDIA GELATINE & CHEMICALS LTD.

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INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman

NALIN KARSONDAS VISSANJI

Managing Director

NAVINCANDRA RAMDAS MIRANI

Executive Director

VIREN C. MIRANI

Directors

N. C. MIRANI

D. R. BHARUCHA

M. D. VORA

K. C. DALAL

M. OGURA - UPTO 27-04-2005

H. FUJIMOTO - UPTO 27-04-2005

H. KAWASAKI - FROM 27-04-2005

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@hotmail.com

Bankers

Union Bank of India, Mumbai

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) 2646 9514

Registrar & Securities Transfer Agent :

Sharepro Services (India) Pvt. Ltd.

Satam Estate, III Floor, Cardinal Gracious Road,

Chakala, Andheri (E), Mumbai 400 099

Tel : (022) 28215168 Fax : (022) 28375646

INDIA GELATINE & CHEMICALS LTD.



FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Sr. No.		2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
1.	Shareholders' Funds	8174	8372	8456	8080	8099
2.	Loan Funds	2199	1139	NIL	437	475
3.	Debt Equity Ratio	1:0.27	1:0.14	1:00	1:0.05	1:0.06
4.	Sales & Other Income	5934	3952	3524	4551	5378
5.	Profits (Subject to Depreciation & Tax)	998	765	475	428	464
6.	Net Profit (Subject to Tax)	666	422	133	84	95
7.	Profit after Tax & before Extra Ordinary Items	606	360	91	44	77
8.	Net profit after Extra Ordinary Items	313	321	84	56	68
9.	Book Value of share(Rs.)	96.39	98.73	99.72	95.28	95.51
10.	Dividend per share (Rs.)	1.20	—	—	0.50	0.50



INDIA GELATINE & CHEMICALS LTD.

NOTICE

NOTICE be and is hereby given that the Thirty Third Annual General Meeting of the Members of INDIA GELATINE & CHEMICALS LTD. will be held at GICEA, Nirman Bhavan (Gajjar Hall) Nr. Law Garden, Ahmedabad – 380 006 on Saturday, the 17th September, 2005 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date together with the Report of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri Nalin K. Vissanji, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Nayan C. Mirani, 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 2005-2006 and to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :-
"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 and the listing agreement with the stock exchanges, the consent of members of the Company be and is accorded for the payment of sitting fees, as per the table given below, to the non-executive directors of the Company for attending meetings of the Board of Directors of the Company and meetings of the Committee of the Board of Directors of the Company.

Type of Meeting	Amount of sitting fees per meeting per director
Board Meeting	Rs. 5,000.00
Audit Committee Meeting	Rs. 5,000.00

8. To consider and if thought fit to pass, with or without modifications, the following resolution as a special resolution :

"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 (hereafter referred to as "the Act"), this Meeting hereby approves by way of Special Resolution the re-appointment of Shri N.R. Mirani as made by the Remuneration Committee and further approved by the Board, as the Managing Director of the Company, with effect from 01.09.2005 for a period of 3 years ending on



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31.08.2008, 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 Committee and as approved by the Board of Directors of the Company from time to time.

- a) **Salary :**
Rs. 2,00,000/- 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) **Medical Reimbursement :-**
Expenses incurred for self and his family subject to Rs.15,000/- p.a. 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.
 - ii) **Contribution to Provident Fund & Super Annuation Fund :-**
The amount shall not exceed the limits prescribed under Income Tax Act & Rules.
 - iii) **Gratuity :**
As per the rules of the company, but shall not exceed half month's salary for each completed year of service.
 - iv) **Leave Encashment :**
The Managing 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, Super Annuation Fund, Gratuity Fund & Leave Encashment as per Clauses (ii), (iii) & (iv) are not taxable under the Income Tax Act and shall not be included in the computation of the ceiling on the perquisite specified above.]
 - v) **The Company shall provide a car for use on Company's business and also for personal purposes and telephone at the residence of the Managing Director. The Managing Director shall be billed by the Company for personal long distance calls on telephone and perks for the use of car for private purposes on actual basis.**
- c) **The Managing Director in addition to above shall be entitled to such other benefits or amount as may be approved by the Board, so that the overall payment by way of salary & perquisites shall not exceed Rs.3,50,000/- per month in any case and further subject to such modification as may be made by the Board within the limits on remuneration prescribed from time to time under schedule XIII of the Companies Act, 1956.**
- d) **MINIMUM REMUNERATION :**
In the event of loss or inadequacy of profits, the Managing 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.



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e) COMMISSION :

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 Director 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 Agreement with Shri N.R. Mirani the Managing Director of the company to incorporate the clauses in the manner as above in respect of remuneration payable to him".

9. To consider and if thought fit to pass, with or without modifications, the following resolution as a special resolution :

"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 (hereafter referred to as "the Act"), this Meeting hereby approves by way of Special Resolution the re-appointment of Shri V.C. Mirani as made by the Remuneration Committee and further approved by the Board, as the Executive Director of the Company, with effect from 01.04.2005 for a period of 3 years ending on 31.03.2008, 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 Committee and as approved by the Board of Directors of the Company from time to time.

a) Salary :

Rs. 1,50,000/- 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 ;

i) Medical Reimbursement :-

Expenses incurred for self and his family subject to Rs.15,000/- p.a. 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.

ii) Contribution to Provident Fund & Super Annuation Fund :-

The amount shall not exceed the limits prescribed under Income Tax Act & Rules.

iii) Gratuity :

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

iv) 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.



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[Contribution to Provident Fund, Super Annuation Fund, Gratuity Fund & Leave Encashment as per Clauses (ii), (iii) & (iv) are not taxable under the Income Tax Act and shall not be included in the computation of the ceiling on the perquisite specified above.]

- v) 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 on actual basis.
- c) The Executive Director in addition to above shall be entitled to such other benefits or amount as may be approved by the Board, so that the overall payment by way of salary & perquisites shall not exceed Rs.3,50,000/- per month in any case and further subject to such modification as may be made by the Board within the limits on remuneration prescribed from time to time under schedule XIII of the Companies Act, 1956.
- d) **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.
- e) **COMMISSION :**
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 Executive Director 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 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.

"FURTHER RESOLVED THAT the Company do enter into Agreement with Shri V.C. Mirani the Executive Director of the company to incorporate the clauses in the manner as above in respect of remuneration payable to him".

By Order of the Board of Directors

Place : Ahmedabad

Date : 30.07.2005

K. P. VAGADIA
(Company Secretary)



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Details of Directors seeking reappointment at forthcoming Annual General Meeting :

Name	Shri Nalin K. Vissanji	Shri N.C. Mirani	Shri K.C. Dalal
1 Date of Birth	14.01.1931	08.06.1960	20.08.1940
2 Date of Appointment	11.03.1974	24.01.1983	31.03.2001
3 Qualification	B.Sc	B. Com	B. Com, F.C. A
4 Expertise in Specific Functional Area	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	—
6 Membership of committees in other Public Ltd. Companies	—	—	—

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 09-09-2005 to 17-09-2005 (both days inclusive)
4. Dividend if declared / approved will be paid to the shareholders holding shares of the Company within 30 days from the date of declaration in terms of section 205-A of the Companies Act, 1956.
5. Members are requested to note that the dividend warrants are payable at par at the designated branches of the bank for an initial period of 3 months only. Thereafter the dividend warrant on revalidation is payable only at limited branches.
6. Pursuant to section 205A of the Companies Act, 1956, all Unclaimed Dividend upto financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet claimed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies (Gujarat), opp. Rupal Park, Near Ankur Char Rasta, Naranpura, Ahmedabad 380013 by submitting an application in the prescribed form.
7. 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 (IEPF) 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. Accordingly the Company has already transferred dividend for the year ended 31st March, 1997 to IEPF.
Members who have not yet encashed the dividend warrant(s) for the Financial Year 1997-98 and thereafter are requested to make their claims to the Company.
8. Draft Agreements of Shri N.R. Mirani, Managing Director and Shri V.C. Mirani, Executive Director of the Company for 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.



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9. Explanatory Statement pursuant to Sec. 173(2) is annexed hereto.
10. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
11. 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 at the meeting.
12. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agents.
13. Members can avail of the nomination facility by filing Form No.2B with the Company. Blank forms will be supplied on request.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.7

Securities and Exchange Board of India has vide its Circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 amended the listing agreement with the stock exchanges, by substituting the existing clause 49 of the listing agreement with a new clause 49. The said amendment was initially made effective from April 1, 2005. However SEBI has vide its Circular No.SEBI/CD/DIL/CG/1/2005/29/3 dated March 29, 2005 extended the effective date from April 1, 2005 to December 31, 2005.

According to Clause 1(B) of the new clause 49, all fees/compensation to non-executive directors shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. At present, the Company pays sitting fees to its non-executive directors.

The sitting fees paid to non-executive directors has been fixed by the Board of Directors in terms of Section 309 of the Companies Act, 1956. In terms of the above new clause 49, which has to be complied by December 31, 2005, payment of sitting fees will also require the prior approval of shareholders.

Hence the above proposal is being placed before the members for their prior approval.

Shri Nalin K. Vissanji, Shri N.C. Mirani, Shri D.R. Bharucha, Shri M.D. Vora and Shri K.C. Dalal the Directors of the Company are concerned or interested in the resolution to the extent of sitting fees that they will receive for attending the meetings of the Board of Directors of the Company/Committee of the Board of Directors of the Company. Shri Viren C. Mirani being the brother of Shri N.C. Mirani may also be deemed to be interested in this resolution.

No other Director of the Company is in any way concerned or interested in the resolution.

The Board of Directors recommends the passing of the resolution as set out in Item No.7 of the Notice.

ITEM NO.8

The Board of Directors in their meeting held on 31st March, 2005, has decided to reappoint Shri N.R. Mirani as Managing Director of the company for a further term of 3 years effective from 01.09.2005 on the remuneration by way of salary, perquisites and benefits and on such other terms and conditions as are set out in the draft agreement placed before this meeting duly initialed by the Chairman, and further also as set out in the resolution. Such remuneration is within the limits fixed by the Govt. under Sch.XIII of the Companies Act, 1956.