

36th Annual Report 2007-2008



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

NAVINCHANDRA RAMDAS MIRANI

Executive Director

VIREN C. MIRANI

Directors

N. C. MIRANI

M. D. VORA

K. C. DALAL

H. KAWASAKI

S. N. PITTIE

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@gmail.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
Satam Estate, III Floor, Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai 400 099
Tel : (022) 6772 0300 Fax : (022) 2837 5646

INDIA GELATINE & CHEMICALS LTD.



FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Sr.No.		2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
1	Shareholders' Funds	8080	8099	8135	8326	8448
2	Loan Funds	437	475	508	245	296
3	Debt Equity Ratio	1 : 0.05	1 : 0.06	1 : 0.06	1 : 0.03	1:0.04
4	Sales & Other Income	4551	5378	6057	6421	6178
5	Profit / (Loss) (Subject to Depreciation & Tax)	428	464	418	331	614
6	Net Profit / (Loss) (Subject to Tax)	84	95	37	(52)	225.95
7	Profit after Tax & Before Extra Ordinary Items	44	68	36	(34)	198.51
8	Net Profit after Extra Ordinary Items	56	68	36	(34)	198.51
9	Book Value of Share (Rs)	95.28	95.51	95.94	88.57	89.87
10	Dividend %	5	5	—	—	7



INDIA GELATINE & CHEMICALS LTD.

NOTICE

NOTICE be and is hereby given that the Thirtysixth 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 Friday, the 05th September, 2008 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, 2008 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 Mr. N. C. Mirani, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. K.C. Dalal, who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. V.C. Mirani, who retires by rotation but being eligible offers himself for re-appointment.
6. To appoint Auditors for the year 2008-2009 and to fix their remuneration.

SPECIAL BUSINESS :

7. 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, 310 and 349 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, (hereinafter referred to the Act) this Meeting hereby approves by way of Special Resolution the re-appointment of Mr. 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 01.09.2008 for a period of 3 years ending on 31.08.2011, 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. 2,70,000/- 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 Act ;
 - i) **Medical Reimbursement :-**
Expenses incurred for self and his family. 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 & superannuation fund :-**
The amount shall not exceed the limits prescribed under Income Tax Act & rules.

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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, superannuation fund, gratuity fund & leave encashment as per Clauses (ii), (iii) & (iv) are not taxable under the Income Tax Act and are not be included in the computation of the ceiling on the remuneration 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 shall be evaluated as per Income Tax Rules.

c) The Managing Director in addition to above shall also 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 Act ;

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.

e) **COMMISSION :**

In the event of there being sufficient and adequate profits worked out as per the provisions of Section 349 of the Act, 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 Mr. N.R. Mirani the Managing Director of the company to incorporate the clauses in the manner as above in respect of the terms of appointments and remuneration payable to him".

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, 310 and 349 read with Schedule XIII and other applicable provisions, if any, of the Act, this Meeting hereby approves by way of Special Resolution the re-appointment of Mr. 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 01.04.2008 for a period of 3 years ending on 31.03.2011, upon the terms and conditions including payment of remuneration, perquisites, and commission payable to him as under or in such other



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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. 2,20,000/- 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 Act ;
 - i) **Medical Reimbursement :-**
Expenses incurred for self and his family. 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 & superannuation 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.

[Contribution to provident fund, superannuation fund, gratuity fund & leave encashment as per Clauses (ii), (iii) & (iv) are not taxable under the Income Tax Act and are not be included in the computation of the ceiling on the remuneration 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 shall be evaluated as per Income Tax Rules.
- c) The Executive Director in addition to above shall also 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 Act.
- 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.

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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 Act 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 Mr. V.C. Mirani the Executive Director of the company to incorporate the clauses in the manner as above in respect of the terms of appointment and 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 provisions of section 314 of the Act and as recommended and approved by the Remuneration Committee & the Board of Directors, consent of the members of the company be and is hereby accorded by way of special resolution to continue Mr. Kishorsinh R. Mirani to hold office as an Executive Officer of the company on an increased remuneration not exceeding Rs.20,000/- (Rupees Twenty thousand only) per month w.e.f. 1st April 2008 inclusive of all allowances, provident fund and gratuity.”

“RESOLVED FURTHER THAT the remuneration payable to Mr. Kishorsinh R. Mirani as sanctioned will be subject to such modification as shareholders may suggest and which may be acceptable to Mr. Kishorsinh R. Mirani”

By Order of the Board of Directors

Place : Ahmedabad

Date : 30-07-2008

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. 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 29-08-2008 to 05-09-2008 (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 act.
5. Members are informed that the company's equity shares are compulsorily traded in demat form for all investors, effective from 1st April, 2002. Members may open Depository Account in their names with a Depository Participant to dematerialize their holdings.
6. Pursuant to section 205A of the Companies Act, 1956, all Unclaimed Dividend up to financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government, which can be claimed by the Shareholders by submitting application to the Registrar of Companies, Ahmedabad,
7. Pursuant to section 205A(5) of the Companies Act, 1956 as amended, dividend for the financial years ended 31st March of 1996 to 2000, which remained unpaid or unclaimed for the period of 7 (seven) years, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Such dividend stands forfeited by the Government as per rules Dividend for the year ended 31st March, 2001, if remain unclaimed or unpaid up to 30th September 2008 will be transferred to IEPF.

Members who have not yet encashed the dividend warrant(s) for the Financial Year 2000-2001 and thereafter are requested to make their claims to the Company.
8. 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.
9. Draft Agreements of Mr. N.R. Mirani, Managing Director and Mr. V.C. Mirani, Executive Director of the Company as regard terms of appointment 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.
10. Explanatory Statement pursuant to Sec. 173(2) is annexed hereto.
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.



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Details of Directors seeking reappointment at the forthcoming Annual General Meeting :

(Disclosure pursuant to Clause 49 of Listing Agreement)

	Name	Mr. N.C. Mirani	Mr. K.C. Dalal	Mr. V.C. Mirani
1	Date of Birth	08.06.1960	20.08.1940	21.08.1965
2	Date of Appointment	24.01.1983	31.03.2001	21.07.2000
3	Qualification	B. Com	B. Com, F.C. A	B. Com
4	Expertise in Specific Functional Area	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.	Industrialist with Rich Business Experience in General
5	Directorship in other Public Ltd. Companies	—	—	—
6	Membership of committees in other Public Ltd. Companies	—	—	—