



INDIA GELATINE & CHEMICALS LTD.

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

Tel.: +91 22 2202 0341 Fax : +91 22 2284 5522

Email : igclmumbai@indiagelatine.com, Web : www.indiagelatine.com

CIN - L99999GJ1973PLC002260

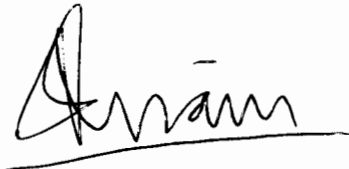
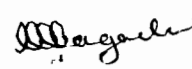
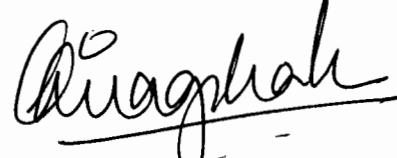
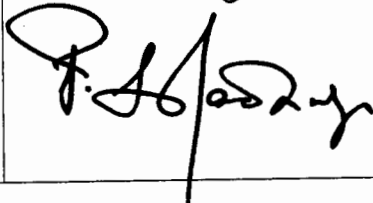
11th September, 2014

Bombay Stock Exchange Ltd.,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

Form -A

Code No. 531253

Sub: Covering letter of the Annual Audit Report

1.	Name of the company	India Gelatine & Chemicals Ltd
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N. A.
5.	To be signed by- <ul style="list-style-type: none">• Chairman & Managing Director (Mr. V. C. Mirani)• CFO (Mr. K. P. Vagadia)• Auditor of the company (For M/s Mahendra N. Shah & Co., Mr. Chirag M. Shah)• Audit Committee Chairman (Mr. P. P. Madhavji)	   

Kindly acknowledge the receipt.

Thanking you,

Yours Faithfully,
For **INDIA GELATINE & CHEMICALS LTD.,**



COMPANY SECRETARY

Regd. Office : 703, "SHILP", C. G. Road, Navrangpura, Ahmedabad - 380 009. (Gujarat). INDIA

Tel.: +91 79 2646 9514 Fax : +91 79 2646 5569.

Factory : Plot No. 1/A, G.I.D.C. Industrial Estate, National Highway, VAPI - 396 195. (Gujarat). INDIA

Tel.: +91 260 240 1741, 240 1584, 240 1385, 240 0795

42nd
ANNUAL REPORT
2013-2014



INDIA GELATINE & CHEMICALS LTD.



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INDIA GELATINE & CHEMICALS LTD.

BOARD OF DIRECTORS

Chairman & Managing Director :

Mr. VIREN C. MIRANI

(Appointed as Chariman from 07-07-2014)

Directors :

Mr. NAYAN C. MIRANI

Mr. MANGALDAS D. VORA (Upto 25-12-2013)

Mr. KISHOR C. DALAL (Upto 28-06-2014)

Mr. SHRIDHAR N. PITTIE

Mr. PRADIP P. MADHAVJI

Mr. JAYPRAKASH M. TIWARI (From 07-07-2014)

Mrs. SHEFALI V. MIRANI (From 07-07-2014)

Company Secretary :

Ms. PREETAL P. MEPANI

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) 26469514

Website : www.indiagelatine.com

Investors Relations e-mail : investor@indiagelatine.com

Corporate Identity Number (CIN): L99999GJ1973PLC002260

Registrar & Share Transfer Agent :

Sharepro Services (India) Pvt. Ltd.

13AB Samhita Warehousing Complex,

Second Floor,

Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road, Andheri (East),

Mumbai - 400 072

Tel.: (022) 67720300 Fax : (022) 28591568



FINANCIAL HIGHLIGHTS

₹ lacs

Sr.No.		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
1	Shareholders' Funds	9,528	9,587	10,021	10,831	11,438
2	Loan Funds	91	30	22	12	1
3	Debt Equity Ratio	1 : 0.01	1 : 0.003	1 : 0.002	1 : 0.001	1 : 0.00001
4	Sales & Other Income	8,441	8,912	10,690	12,011	12,353
5	Profits (Subject to Depreciation & Tax)	1,377	847	1,415	2,192	1,785
6	Net Profit Subject to Tax	962	423	968	1,704	1,245
7	Profit after Tax	674	277	707	1,140	806
8	Book Value of Share (₹)	101.36	101.99	106.61	115.22	121.68
9	Dividend %	20	20	25	30	18



INDIA GELATINE & CHEMICALS LTD.

NOTICE

NOTICE be and is hereby given that the Forty-second Annual General Meeting of the Members of INDIA GELATINE & CHEMICALS LTD., will be held at GICEA, Nirman Bhavan (Gajjar Hall), Near Law Garden, Ahmedabad – 380 006 on Friday, the 5th of September, 2014 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, 2014 and the Statement of Profit and Loss for the year ended on that date together with the report of Directors and the Auditors thereon.
2. To declare dividend on equity shares.

SPECIAL BUSINESS :

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

“RESOLVED THAT Mrs. Shefali V. Mirani (holding DIN: 03107547) appointed as Additional Director of the Company on 7th July, 2014 by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013 and Article No. 91 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of non-independent Additional Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

4. To appoint Mr. Jayprakash M. Tiwari (holding DIN: 06906943), as an Independent Director to fill the casual vacancy arising on account of the resignation of Director Mr. Kishor C. Dalal (holding DIN 00045147) who resigned with effect from 28th June, 2014 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

“RESOLVED THAT Mr. Jayprakash M. Tiwari (holding DIN: 06906943), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of 4 years, 9 months and 2 days ending on 31st March, 2019.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shridhar N. Pittie (holding DIN: 00562400), Independent Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION :**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradip P. Madhavji (holding DIN: 00549826), Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019.”

7. **BORROWING LIMIT**

To consider and if thought fit, to pass with or without modifications, the following Resolution as a **SPECIAL RESOLUTION:**



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"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, and in substitution, modification of and in ratification of the earlier resolution(s) passed under the provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to borrow money from time to time up to a limit of not exceeding in the aggregate ₹ 100 Crores (Rupees One hundred crores only) over and above the aggregate of the paid up capital and free reserves of the Company."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT in accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, Messrs Mahendra N. Shah & Co., Chartered Accountants (Registration No. FRN 105775W) be and is hereby appointed for the term of 3 years from 2014-2015 to 2016-17."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT in accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, appointment of B. F. Modi & Associates as Cost Auditors (Membership Number-M6955) on remuneration to be decided by Managing Director for conducting the audit of Cost Accounting Records relating to the chemical products manufactured by the Company for the year 1st April, 2014 to 31st March, 2015 be and is hereby approved and ratified."

10. **RE-APPOINTMENT AND MODIFICATION IN REMUNERATION PAYABLE TO MANAGING DIRECTOR, MR. VIREN C. MIRANI**

To consider and if thought fit, to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT in partial modification of the resolution passed by the Remuneration Committee on 30th May, 2013, by the Board of Directors on 30th May, 2013 and the Special Resolution passed by the members in the AGM held on 23rd August, 2013 and pursuant to provisions to Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and further subject to the approval of the Central Government, the consent of the members be and is hereby accorded to the modification in the terms of remuneration of Mr. V. C. Mirani, Managing Director of the Company, for the period from 1st July, 2014 to 31st March, 2017 within limits provided in Part II Section II (A) of Schedule-V of the Companies Act, 2013 as contained in the draft Supplementary Agreement placed before the meeting and initialed by the Chairman for identification with power to Board of Directors to alter or vary the said terms and conditions of modification in terms of remuneration, in such manner as the Board in their discretion deemed fit and as acceptable to Mr. V. C. Mirani.

RESOLVED FURTHER THAT a note be and is hereby taken of the modification in terms of remuneration payable as contained in the draft supplementary agreement with Mr. V. C. Mirani, Managing Director as approved by the Remuneration Committee and the Board of Director in their respective meeting held on 24th May, 2014.

RESOLVED FURTHER THAT required modification in Clause a relating to Salary, Clause b relating to Perquisites and Clause d relating to Commission shall be made.

RESOLVED FURTHER THAT except for the change in terms of remuneration in Clauses a, b & d all other terms and conditions and clauses of the original agreement entered into with Mr. V. C. Mirani, shall continue to remain in operation.



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RESOLVED FURTHER THAT till the approval from the Central Government is received, Mr. V. C. Mirani, shall be paid a remuneration not exceeding ₹ 10,00,000 per month as permitted, duly approved by shareholders by passing Special Resolution and that after obtaining Central Government's approval, he will be paid a remuneration as proposed and approved and made effective from 1st July, 2014.

RESOLVED FURTHER THAT the terms and conditions of the remuneration of the Managing Director, may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee and the Board as it may in its discretion deem fit within the above limits and subject to limits laid down in Sections 196, 197 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under and subject to the requisite approvals from Central Government or any other authority, if any, being obtained."

By Order of the Board of Directors

Place : Ahmedabad
Date : 08.07.2014

Preetal P. Mepani
(Company Secretary)

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT SUCH PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
The instrument of Proxy, in order to be effective, should be duly completed and deposited at the Company, not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Items of Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 29.08.2014 to Friday 05.09.2014 (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 124 of the Companies Act, 2013.
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.



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6. In view of the amendment to the Companies Act, 1956 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follow:

Date of Declaration / Payment	For the Accounting Year	Date of Transfer Due On
05/09/2008	2007-08	04/09/2015
25/09/2009	2008-09	24/09/2016
28/09/2010	2009-10	27/09/2017
28/09/2011	2010-11	27/09/2018
28/09/2012	2011-12	27/09/2019
23/08/2013	2012-13	22/08/2020

7. (a) 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.
- (b) Pursuant to the provisions of Section 205C of the Companies Act, 1956, the dividend remaining unclaimed/unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investors Education and Protection Fund (Fund) set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the company immediately as no claim shall lie against the Fund or the Company in respect of individual amount once credited to the said Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 23.08.2013 (date of last Annual General Meeting) on the website of the Company (www.indiagelatine.com), as also on the website of the Ministry of Corporate Affairs.

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. (a) 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.
- (b) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
10. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agents.
11. **E-Voting:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

In case of members receiving e-mail :

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "India Gelatine & Chemicals Ltd." from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID:
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. (6 Digit Alpha-Numeric)
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



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(vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for "INDIA GELATINE & CHEMICALS LTD." on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



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They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy :

- (A) Please follow all steps from sl. no. (i) to sl no. (xvii) above to cast vote.
 - (B) The voting period begins on Saturday, 30th August, 2014 at 10.01 hours and ends on Monday, 1st September, 2014 at 18.00 hours. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
12. Mr. Chirag Shah, Practising Company Secretary, (Membership No. 5545 and CP No. : 3498) partner of Samdani Shah & Associates, Practising Company Secretaries, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 13. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast 2(two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 14. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.indiagelatine.com and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the NSE and BSE Limited.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 3:

The Board of Directors of the company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article No. 91 of the Articles of Association of the Company, Mrs. Shefali V. Mirani as an Additional Director with effect from 7th July, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Shefali V. Mirani would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Shefali V. Mirani for the office of Director of the Company.

Mrs. Shefali V. Mirani is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. She holds 2500 equity shares.

Mrs. Shefali V. Mirani may be deemed to be concerned or interested, financially or otherwise to the extent of the aforesaid shareholding in respect of her appointment as a director. Mr. Viren C. Mirani who is her relative and the Managing Director of the Company, Mr. Nayan C. Mirani who is her relative and non executive director of the company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Mrs. Shefali V. Mirani.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the **Ordinary Resolution** set out as Item No. 3 of the notice for approval by the shareholders.



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✓ ITEM NO. 4, 5 & 6:

Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji, Non- executive Independent Directors of the Company, have wide experience in handling commercial and financial matters and have rich industry experience. Mr. Jayprakash M. Tiwari is a Practising Chartered Accountant, with vast experience in Audit, Taxation & Company Law matters etc. Mr. Shridhar N. Pittie hold the qualifications of B.A.(Hons), DERE, MBA (Finance) and is an industrialist with rich business experience in general. Mr. Pradip P. Madhavji holds the qualifications of B.A., B.Com & LLB and is associated with the tourism and hospitality industry.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company. The company has received declarations from Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji are independent of the management.

It is proposed to appoint Mr. Jayprakash M. Tiwari for 4 years, 9 months & 2 days, ending on 31st March, 2019 and Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for five consecutive years for a term upto 31st March, 2019.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji for the office of Independent Director of the Company.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in these resolutions.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the **Ordinary Resolutions** set out as Item No. 4, 5 & 6 of the notice for approval by the shareholders.

ITEM NO. 7

Section 180(1)(c) of the Companies Act, 2013, requires the Board of Directors of the Company to obtain approval of the members to borrow monies (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purpose. At the Annual General Meeting held on 7th September, 1996, authority was accorded to the Board of Directors of your company to borrow for the purpose of business of the Company up to ₹ 100 Crores (Rupees One hundred crores only). However, the Ministry of Corporate Affairs issued circular dated 25th March, 2014 clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to the limit prescribed) and/or creation of security on assets of the Company will be sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. from 12th September, 2013. Our Company requires renewing the borrowing limit upto ₹ 100 Crores pursuant to Section 180 of the Companies Act, 2013.

Further in view of the changes that are taking place in the banking and financial sector, funds at cheaper rates of interest are available by way of term loans in the domestic and foreign currency. The company may resort to borrowing through debt instruments. Such cheaper loans can be used for the financial requirements of the company and also for replacing high cost working capital facilities / other loans which will reduce the interest cost to the Company. It is therefore necessary to renew such borrowing powers upto ₹100 Crores (Rupees One hundred crores only) which amount exceeds the limit of the aggregate of the paid of capital and free reserves of the Company.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in this Special Resolution



INDIA GELATINE & CHEMICALS LTD.

Your Directors recommend passing of the **Special Resolution**.

ITEM NO. 8

Messrs Mahendra N. Shah & Co., Chartered Accountants (Registration No. FRN 105775W) have been the Statutory Auditors of the Company since inception. In accordance with Section 139(1) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, Messrs Mahendra N. Shah & Co., are eligible to be appointed as the Statutory Auditors for a term of 3 years from 2014-15 to 2016-2017. Hence the resolution at item no. 9 of the Notice.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the **Ordinary Resolution** set out as Item No. 9 of the notice for approval by the shareholders.

ITEM NO.9

Messrs B. F. Modi & Associates, Cost Accountants, were the Cost Auditors of the Company. Central Government vide its order No. 52/26/CAB/2010 dated 06/11/2012 and G.S.R.No. 429(E) dt. 03.06.2011 in exercise of power vested in it under Section 148 of the Companies Act, 2013 directed the Cost Audit of the Company in respect of Di-calcium Phosphate (animal grade), Gelatine and Ossien falling under product group code No.1029, 2013 and 1008 respectively.

Further the Company has received the Certificate of Independence as required under para (e) of the General Circular No.15/2011 dated 11.04.2011 issued by the Cost Audit Branch of the Ministry of Corporate Affairs and the acceptance letter as per the provisions of Section 148(5) read with Section 139 of the Companies Act, 2013 from M/s. B. F. Modi & Associates, Cost Accountants.

In terms of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration for the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the shareholders.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the **Ordinary Resolution** set out as Item No. 10 of the notice for approval by the shareholders.

ITEM NO. 10

This item of the Notice relates to re-appointment and modification in remuneration payable to Managing Director, Mr. Viren C. Mirani. Mr. Viren C. Mirani has been re-appointed as Managing Director with effect from 1st April, 2014 for a period of 3 years pursuant to the resolution passed by the Remuneration Committee in its meeting held on 30th May, 2013, by the Board of Directors in its meeting held on 30th May, 2013 and by the members by way of Special Resolution in the Annual General Meeting held on 23rd August, 2013. The proposed resolution is related to payment of and increase of remuneration of Mr. Viren C. Mirani, Managing Director of the Company which is permissible under law, on the basis of the effective capital upto ₹ 10,00,000 by passing a Special Resolution in the General Meeting of the company, and for remuneration above ₹ 10,00,000, subject to the approval of the Central Government, for the period from 1st July, 2014 ending on 31st March, 2017. The new terms of modification of the remuneration payable to the Managing Director will be effective from 1st July, 2014 to 31st March, 2017. The new proposed remuneration is higher than the limits fixed by the Central Government under Section 197 read with Schedule-V of the Companies Act, 2013 and will be effective, subject to the approval of the Central Government and members in the 42nd Annual General Meeting of the Company. Thus on the basis of the effective capital, the company can now pay managerial remuneration upto ₹ 10,00,000 by passing a Special Resolution in the General Meeting of the company, and for remuneration above ₹ 10,00,000, subject to the approval of the Central Government.

The terms and conditions of re-appointment of Mr. Viren C. Mirani, as the Managing Director of the Company are as under:-



INDIA GELATINE & CHEMICALS LTD.

REMUNERATION:

a) Salary:

Monthly salary in the scale of ₹ 13,00,000 - 2,00,000 - 17,00,000 with effect from 01.07.2014 to 31.03.2017

b) Perquisites:

Maximum up to ₹ 2,00,000/- per month which shall include perquisites of Categories 'A', 'B' and 'C' as below :

CATEGORY 'A'

- i) House Rent Allowance of ₹ 95,000/- per month within the overall limit as approved by the Central Government.
- ii) He shall be paid Gas, Electricity, Water etc. of his residence which will be valued as per the Income Tax Rules, 1962.
- iii) **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 therein from time to time.
- iv) **Leave Travel Concession:**
For self and family once in a year incurred in accordance with the rules specified by the Company.
- v) **Club Fees:**
Fee's of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- vi) **Personal Accident Insurance:**
Premium not to exceed ₹ 40,000/- per annum or such amount as may be modified under Income tax Act from time to time.
- vii) **Mediclaim Insurance:**
Premium not to exceed ₹ 15,000/- per annum or such other modified amount as is exempt under Income Tax Act.

CATEGORY 'B'

i) Contribution to Provident Fund and Other Funds:

Contribution to the Provident Fund, Superannuation or Annuity Fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent these either singly or put together are not taxable under the Income-tax Act.

ii) Gratuity:

As per the rules not exceeding half a month's salary for each completed year of service, and shall not be included in the computation of ceiling on perquisites as specified above.

iii) 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 and shall not be included in the computation of the ceiling on perquisites, specified above.



CATEGORY 'C'

i) Provision of a Car and Telephone:

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 at the rate of ₹ 750/- per month and perks for the use of car for personal purposes shall be evaluated as per Income Tax Rules.

ii) Other Benefits:

Such other benefits, amenities and facilities as per the company rules.

c) 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.

d) COMMISSION:

In the event of there being sufficient and adequate profits worked out as per the provisions of Section 197 of the Companies Act, 2013, read with Companies (Meeting of Board & its Power) Rules, 2014 and within the individual limit of 5% 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.

The terms and conditions of the remuneration of the Managing Director, may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee and the Board as it may in its discretion deem fit within the above limits and subject to limits laid down in Sections 196,197 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under and subject to the requisite approvals from Central Government or any other authority, if any, being obtained.

Memorandum of Interest:

Mr. Viren C. Mirani, is interested in the above resolution to the extent of the remuneration received by him.

Mr. Nayan C. Mirani and Mrs. Shefali V. Mirani are concerned or interested in the above resolution, being relatives of Mr. Viren C. Mirani, none of the other Directors are concerned or interested in the above resolution.

Information required to be disclosed in terms of Notification No. GSR 36(E) dated 16th January, 2002 issued by Government of India under the provisions of Schedule V of the Companies Act, 2013.

I. GENERAL INFORMATION:

- | | | |
|---|---|--|
| 1. Nature of Industry | : | Manufacturers of Chemical products viz. Ossein, Gelatine and DCP |
| 2. Date of commencement of Commercial Production | : | 08.02.1975 |
| 3. In case of new Companies expected date of commencement | : | N.A. |



INDIA GELATINE & CHEMICALS LTD.

4. Financial Performance:

₹ lacs

Year	Capital	Reserves	Exports (FOB)	Total Sales & Other Income	Profit before Dep. & Tax	Cash Profit after tax	Net Profit (Loss)
2011-12	940.00	9,080.60	5,536.24	10,689.58	1,414.64	1,154.26	707.22
2012-13	940.00	9,890.86	6,053.97	12,010.91	2,189.39	1,627.96	1,140.19
2013-14	940.00	10,498.47	8,031.40	12,353.31	1,785.30	1,345.63	805.57

5. Export Performance and Net Foreign Exchange :

Year	Export Qty. in M.T.	FOB Value of Qty Sale (₹ lacs)
2011-12	2398.25	5,536.24
2012-13	2627.50	6,053.97
2013-14	2897.70	8,031.40

II. INFORMATION ABOUT THE APPOINTEE:

1) Background details:

Mr. Viren C. Mirani is a commerce graduate with 29 years of rich business experience both within and outside India. He possesses excellent business contacts and is very widely travelled. He is instrumental in soliciting technical collaboration for setting up Gelatine Plant in 1997. Under his able stewardship his family business of dealing in cotton and yarn earned a very good reputation and achieved an annual effected turnover in multi crores.

2) Past remuneration:

Remuneration during last 3 years :

₹ lacs

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
111.98	97.76	93.69

3) Recognition or awards:

His untiring efforts as Executive Officer for 15 years, as Executive Director for 10 years and as Managing Director for 4 years has contributed substantially for the Company to earn various "Recognitions and Awards" for "Excellence" in Exports by Trade Bodies and Government of India.

The initial share capital of ₹ 25 lacs reached to ₹ 940 lacs by way of bonus and preferential issue and also earned ₹ 105 crores as "Reserves" for the shareholders during last 42 years, over and above payment of dividends.



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4) Job profile/suitability:

The Managing Director looks after manufacturing, marketing, technical operations and over all administration of the Company. Because of his sharp business acumen and matured experience, the performance of the company has been noteworthy, which also speaks volumes of his ability. He has also been handling the most onerous job of marketing Ossein and Gelatine and while discharging these functions quite effectively he has shown signs of great acumen and stewardship.

5) Proposed remuneration:

Salary in the scale of ₹ 13,00,000 – 2,00,000 – 17,00,000 per month, and Perks not to exceed ₹ 2,00,000/- per month in the event of inadequacy of profits. In the event of sufficient profits he may also be paid a commission not exceeding 5% of the net profits, as may be decided by the Board of Directors.

6) Comparative Remuneration profile with respect to industry, size of the company profile of the position, and person:

The main product of the industry is sold in the overseas market. Export requirements are always quite stringent. It requires constant "watch and vigil". "Norms and Parameters" of purchase and production are quite meticulous. Disciplined approach and compliances required for the staff need constant supervision and continuous accountability. Running this type of industry successfully and earning awards of "Excellence" year after year proves the performance of Managing Director. Remuneration sought to be paid to him is thus reasonable. It is also within the normal range of "Managerial Remuneration" paid to the young generation these days by performance oriented units. Mr. Viren C. Mirani alone has shouldered the entire responsibility and working for development of business after the sad demise of the Managing Director Mr. N. R. Mirani.

7) Pecuniary Relationship with Company:

The Managing Director's family is also the Promoter of the Company and as such holds substantial financial interest and continuing commercial affinity with the Company. He along with his family members holds 38.06% Equity Share Capital of the Company. Promoters group as a whole, hold around 63.06% in the equity of the Company.

III. OTHER INFORMATION:

1) Reasons for Loss/Inadequate Profits:

The Company is engaged in the manufacturing of Ossein, Gelatine and DCP. The raw material viz. Crushed Bones, being of natural origin, is at many times in short supply which adversely affects company's production. The company faces severe competition from various domestic companies and therefore focuses on exports market which has inherent foreign exchange risk. The company's raw material and finished products both have threats of potential diseases which has impact on finished goods market of the company's products. The company suffered heavy burden of power and fuel cost which is approximately 22% of sales in 2013-14. The CNG prices alone increased 21% during the last year. All the above adverse factors have resulted in inadequate profits of the company.

2) Steps taken and proposed to be taken for improvement:

Mr. Viren C. Mirani, the Managing Director has taken all possible steps to stabilize the Gelatine product by exploring various markets in Europe as well as South East Asia. He has also taken rigorous steps to promote the sale of Ossein to other foreign buyers and it has resulted into increase in exports during last 3 years as reported above.

3) Expected increase in productivity and profits in measurable terms:

Productivity and profits are likely to further improve well over a period of next 2-3 years. The Company has been able to manufacture Ossien and DCP at around 66 to 67% capacity during last 2 years.

IV. DISCLOSURES:

- 1) The remuneration package of Mr. Viren C. Mirani, Managing Director -
The details of remuneration are given in the annexure to the Notice.



INDIA GELATINE & CHEMICALS LTD.

- 2) (i) Element of remuneration package
- (ii) Details of fixed components and performance linked incentive
- (iii) Service contract, notice period severance fees etc.
- (iv) Stock option details.

The above details are given along with details of his remuneration in the annexure to the Notice to the extent they are applicable.

The Managing Director, Mr. Viren C. Mirani, till the approval from the Central Government is received, shall be paid a remuneration not exceeding ₹ 10,00,000 per month as permitted, duly approved by shareholders by passing Special Resolution and that after obtaining Central Government's approval, he will be paid a remuneration as proposed and approved and made effective from 1st July, 2014.

Your directors recommend this resolution as they consider the same in the interest of the Company.

The above details may be treated as abstract of terms and conditions of the re-appointment of Managing Director, Mr. Viren C. Mirani as required in Section 102 of the Companies Act, 2013.

Mr. Viren C. Mirani, the Managing Director of the Company, is deemed as concerned and interested in the above resolution so far as it relates to his re-appointment and remuneration payable to him. Mr. Nayan C. Mirani and Mrs. Shefali V. Mirani, the Directors, being a relative of Mr. Viren C. Mirani are interested.

The Draft Agreement to be entered into with the Managing Director is open for inspection by Members on any working day between 3.00 p.m. to 5.00 p.m. at the Registered Office of the Company.

By Order of the Board of Directors

Place : Ahmedabad
Date : 08.07.2014

Preetal P. Mepani
Company Secretary



INDIA GELATINE & CHEMICALS LTD.

DIRECTORS' REPORT

The Directors of your Company have pleasure to present 42nd Annual Report with the Audited Statements of Accounts for the year ended 31st March, 2014.

	2013-14 ₹ lacs	2012-13 ₹ lacs
FINANCIAL RESULTS		
Total Revenue	12,353.31	12,010.91
Profit for the year after deducting all the expenses but before interest, depreciation and taxation (EBIDTA)	1,786.16	2,194.85
FROM WHICH ARE DEDUCTED		
Interest & Financial Charges	0.86	5.46
Depreciation	540.06	487.77
Provision for Taxation		
Current	425.00	477.86
Deferred	(31.81)	83.57
Short provision for earlier years	46.48	—
	980.59	1,054.66
NET PROFIT FOR THE YEAR TO WHICH IS ADDED :	805.57	1,140.19
Surplus Brought Forward	665.31	355.05
BALANCE AVAILABLE FOR APPROPRIATION	1,470.88	1,495.24
APPROPRIATION FOR		
Proposed Dividend	169.20	282.00
Corporate Dividend Tax	28.76	47.93
General Reserve	100.00	500.00
Surplus Carried to next year's account	1,172.92	665.31
	1,470.88	1,495.24

Operations :

The turnover of the company has increased by about 3.7% over the previous year.

Gelatine sales were higher in volume by 6.0% as compared to the previous year, as well as higher realisations both in the overseas and domestic markets. The contribution of Ossein sales and volume have increased by 33% and 13% respectively.

The demand for Gelatine in both the international and domestic market is on the rise and the company continues to make inroads into newer areas of operation. However, DCP sales have slowed down during the latter part of the year and are likely to remain sluggish for the year 2014-15. Sales were lower by almost 17% and whereas the volumes were lower by 14% on a year-on-year comparison.

The company's project for increase in capacity has been completed during the year, however, the entire Vapi Industrial Area has been classified by the CPCB (Central Pollution Control Board) to be a CPA (Critically Polluted Area). Due to this classification, the application for utilization of the expanded capacity is still awaiting approval at the GPCB (Gujarat Pollution Control Board).

During the year, the company has implemented several measures by employing newer technologies for energy conservation as well as maintaining quality standards of the company's products, which have resulted in reducing the overall energy consumed. Although the cost of energy has increased by 21% on a periodic basis during the year, the units of Natural Gas consumed are lower due to the implementation of various efforts undertaken for conservation of energy. Since environmental regulations are always a matter of concern, the company has been upgrading the facilities on an ongoing basis in order to meet with the stricter norms being imposed by the pollution department.

The major challenges faced during the year were related to the availability and quality of the main raw material, i.e. crushed bones. The trend of quality deterioration is more disturbing as it impacts both, the quality of the final products as well as lower yield. These factors will have a negative effect on the company's performance in the future in case the trend of raw material quality deterioration continues further.

Overall, efforts are being made to organize ways and means of the import of better quality raw materials from overseas. Our company strives to overcome the obstacles it currently faces and achieve the goals that have been set for the coming year. We acknowledge the challenges at hand and hope that the necessary steps taken by us alleviate them.



INDIA GELATINE & CHEMICALS LTD.

Dividend :

Your directors recommend dividend @ 18% i.e. ₹ 1.80/- per share (previous year 30% i.e. ₹ 3.00 per share) on Equity Shares of ₹ 10/- each of the company for the year ended 31st March, 2014. The proposed dividend (including Corporate Dividend Tax) will absorb ₹ 197.96 Lacs (previous year ₹ 329.93 Lacs)

Taxation :

The Company has made a provision of ₹ 425.00 Lacs towards current year's Income Tax.

Finance :

The Company continues to get requisite assistance and co-operation from its bankers as and when needed.

Industrial Relations :

Industrial relations continued to remain cordial and satisfactory.

Directors :

Mr. M. D. Vora, Director of the Company since 22nd January, 1975, expired on 25th December, 2013. On his death the company has lost its friend, philosopher and guide. The Company and the Board offer their heartfelt condolences to the departed soul of the late Mr. M. D. Vora.

Mr. M. D. Vora, consequently, would cease to be a member on the Audit Committee and Remuneration Committee.

Mr. K. C. Dalal, Director of the Company since 31st March 2001 has tendered his resignation on 28th June, 2014.

Mr. K. C. Dalal has served as Chairman of the Board and Audit Committee. The Board has placed on record its sincere appreciation and gratitude for the very valuable and outstanding contribution made by Mr. K. C. Dalal during his association with the Company as a Director.

Mr. J. M. Tiwari, on 7th July, 2014 was appointed as a Non-Executive Independent Director to fill the casual vacancy of Mr. K. C. Dalal and hence would be retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. V. C. Mirani retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Directors' Responsibility Statement :

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors adhere to the "Directors' Responsibility Statement" and confirm as under :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

Statutory Auditors :

Messrs Mahendra N. Shah & Co., Firm Registration No: 105775W, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

They have furnished a certificate to the effect that the re-appointment, if made, will be in accordance with Section 141(3)(g) of the Companies Act, 2013.



INDIA GELATINE & CHEMICALS LTD.

Cost Auditors :

Messrs B. F. Modi & Associates, Membership No: 6955, Cost Accountants, the Cost Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

They have furnished a certificate to the effect that the re-appointment, if made, will be in accordance with Section 148(5) read with Section 139 of the Companies Act, 2013.

Insurance :

All the properties of the Company including building, plant and machinery and stocks have been adequately covered under insurance.

Particulars of Employees :

The information under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2014 is annexed hereto.

Management Discussion and Analysis Report :

Report on Management Discussion and Analysis is annexed herewith.

Corporate Governance :

A report on Corporate Governance along with the certificate from the auditors is annexed herewith.

Particulars of Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo :

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, forming part of the Directors' Report is annexed hereto.

Cost Compliance Report :

The Company had appointed M/s. B. F. Modi & Associates, Cost Accountants, to certify the Cost Compliance Report and Annexures thereto of the company for the financial year ending 31st March, 2013. The Cost Compliance Report was filed with the Ministry of Corporate Affairs on 20.09.2013.

Further, the Cost Audit of the Company is already in progress and the Cost Audit Report would be filed with the Ministry of Corporate Affairs on or before the due date of 30.09.2014.

Acknowledgement :

The Board of Directors appreciate the devoted services of the workers, staff and executives who have contributed to the efficient management of the affairs of the Company.

Your directors place on record their gratitude to the State and Central Government, the company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 07.07.2014

Viren C. Mirani
Chairman & Managing Director



INDIA GELATINE & CHEMICALS LTD.

ANNEXURE TO DIRECTORS' REPORT

Information in respect of the Employees who draw remuneration of ₹ 60 lacs or more during the year or ₹ 5 lacs or more per month, if employed for part of the year.

Name	Designation	Remuneration ₹ lacs	Qualifi- action	Age Years	Experience year	Date of Commencement of employment	Last Employment and Designation
Mr. Viren C. Mirani	Managing Director	93.69	B.Com	49	29	21.07.2000	Sr. Executive in India Gelatine & Chemicals Ltd.

Note :

1. Nature of Employment : The above employment is contractual.
2. The Remuneration also includes retirement benefits like contribution to Provident Fund, Gratuity, Unavailed Leave etc. payable to the Managing Director.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 07.07.2014

Viren C. Mirani
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

Information in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

(A) CONSERVATION OF ENERGY

a) Measures taken for Conservation of Energy :

- i) Ultrafiltration system installed in place of high energy consuming steam operated evaporator.
- ii) New Raw Material Conveying system installed to reduce dependance on manpower.
- iii) Revamp of cooling systems to improve efficiency of process.
- iv) Replaced DM Plant by installing RO system in order to improve quality of water being used in process and utilities, while reducing operating cost.

b) Additional investments and proposals :

- i) Modern Effluent Treatment methods to be adopted using existing infrastructure in order to reduce Energy Consumption in our ETP.
- ii) Study feasibility to achieve state pollution norms autonomously.
- iii) To use alternative fuel in the boiler for saving on energy cost.
- iv) Study feasibility of modern sorting/weighing/packing systems to reduce cost and dependance on manpower.
- v) Install new energy efficient instrument air compressor system that will save on energy cost and extend lifespan of sensitive equipment.
- vi) Study installation of Solar Power System that could supplement our energy requirements and reduce energy cost in the long term.
- vii) Awaiting approval from SLDC for Power Trading vide National Power Exchange to save on energy cost.

c) Impact of measures in the above :

On implementation of the above, the Company expects to substantially benefit in saving energy/water consumption at various stages of the production cycle. Also, implementing measures such as installation of modern sorting/weighing/packing systems and conveying system, will reduce dependance on manpower, thereby reducing downtime.



INDIA GELATINE & CHEMICALS LTD.

d) Total energy consumption and energy consumption per unit of production :

FORM – A

I		Power & Fuel Consumption		
		Electricity	2013-14	2012-13
	a)	Purchased		
		Unit (KWH)	14620500	13875400
		Total Amount (₹ lacs)	1,020.80	956.60
		Rate / Unit (₹)	6.98	6.89
	b)	Own Generation		
	1)	Through Diesel Generator		
		Units (KWH)	41784	28056
		Unit per Ltr. Of Diesel	3.09	2.68
		Cost / Unit (₹)	20.16	15.74
	2)	Through FO Base Generator		
		Units (KWH)	N.A.	N.A.
		Unit per Ltr. of F.O.	N.A.	N.A.
		Cost / Unit (₹)	N.A.	N.A.
	3)	Through Steam Turbine Generator	N.A.	N.A.
	4)	Through Gas Base Generator		
		Units (KWH)	N.A.	N.A.
		Unit per sm ³ of Gas	N.A.	N.A.
		Cost / Unit (₹)	N.A.	N.A.
II	a)	Furnace Oil / LSHS		
		Quantity (Kgs.)	N.A.	N.A.
		Total Amount (₹) lacs)	N.A.	N.A.
		Average Rate per Kgs. (₹)	N.A.	N.A.
	b)	Natural Gas (CNG) /sm ³		
		Quantity (sm ³)	3790231	4001586
		Total Amount (₹ lacs)	1,535.44	1,341.11
		Average Rate per sm ³ (₹)	40.51	33.51

e) Consumption per unit of production :

Product-Unit	Standards	2013-2014		2012-2013	
		Ossein	Gelatine	Ossein	Gelatine
Electricity	Unit	1685.38	3790.60	1241.93	4649.72
Furnace Oil	Kgs.	0.00	0.00	0.00	—
Natural Gas (CNG)	SM ³	352.42	1847.83	268.32	1928.84



INDIA GELATINE & CHEMICALS LTD.

(B) TECHNOLOGY ABSORPTION :

FORM 'B'

Research and Development :

- i. For quality improvement of the main products viz. Ossein and Gelatine, Research and Development is carried out by the Company.
- ii. The quality of the products manufactured by the company has been accepted by our buyers. There is no rejection in the goods exported. However, there is ample scope for further improvement in the quality.
- iii. Research is being done to establish how our waste can be used as raw material input for other industries.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Foreign Exchange Earnings and outgo is contained in Note No. 13, 14, 15 & 16 of Notes 26 (B) to the Financial Statements.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 07.07.2014

Viren C. Mirani
Chairman & Managing Director



INDIA GELATINE & CHEMICALS LTD.

Management Discussion & Analysis Report

GENERAL :

The Indian Pharmaceutical Industry has taken a quantum leap in both the domestic and global market.

India's pharmaceutical sector will touch US\$ 45 billion by 2020, according to a major study by global management and consulting firm, McKinsey & Company.

The report further states that the Indian pharmaceutical market will be the sixth largest in the world by 2020.

Reasons for the above are obvious.

The increase of pharmaceutical outsourcing and investments by multinational companies (MNCs), aided with the country's growing economy, committed health insurance segment and improved healthcare facilities, is expected to drive the market's growth.

It is good for the overall Gelatine industry as well as the nutraceutical segment, (mainly health supplements, vitamin capsules and tablets) as overall sectorial growth has created in-roads within traditional food applications and markets. The same holds good for Ossein production and sales.

EXPORT :

The company can proudly say that Gelatine sales in value terms nudged upwards by 24% on a year on year basis for exports.

Although bone prices (raw material costs) have risen by 15% affecting the bottom line, raw material costs in India are rising to levels similar to other countries, which may be an impediment for furthering Gelatine and Ossein exports in the near future.

Ossein sales also grew in international markets.

Globally, the demand for Ossein based Gelatine is expected to grow by 10-15% each year.

DOMESTIC :

Around 95% of Gelatine usage in India is in the pharmaceutical Industry. Due to the boom in this sector sales realisations have been improving for the company.

DCP markets have been under pressure due to lack of demand and other alternatives to DCP are gaining ground on the traditional DCP markets. The outlook for the coming year is also likely to remain weak.

THREATS :

In spite of OIE clearance for India as a "Negligible Risk" country for Bovine Spongiform Encephalopathy (BSE) the USDA refuses to acknowledge this rating and places India in the "Undetermined" category, which could affect exports.

Sales and realization of DCP suffered a minor setback and are likely to drag the company's bottom line lower.

The reasons for the same are as follows:

- 1) Arrival of alternatives eating into the market.
- 2) Overall inflation resulting in reduced consumption of DCP due to rising food costs and, hence, less feed is purchased by the poultry industry as demand by commercial establishments drops.

Environmental regulations continue to become more and more stricter, on account of which there would arise a need for larger capital outlay for achieving the revised standards as well as higher operating costs for the treatment.

Raw materials namely crushed bones availability has been short and thereby prices are at historical highs, in case the same trend continues it could have a significant negative impact in the year ahead.



INDIA GELATINE & CHEMICALS LTD.

OPPORTUNITIES :

Due to the sizeable population increase in India and general economic growth the purchasing power of the nation increased spelling good news for sales of drugs and pharmaceuticals.

The future for the Gelatine industry in India largely depends on the growth of the pharmaceutical industry. Globally, the growth is expected to be around 3%.

Production in India currently forms just 5% of the global production. Globally, more than 65% of the production of Gelatine is undertaken in high cost countries in Europe, America and Japan.

OUTLOOK :

Sales for both Gelatine and Ossein seem on the upswing barring any drastic changes in export policies of raw material costs. DCP sales may be on a downward trend but not perennially and/or drastically.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has proper and adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audit, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets. The management is committed to a regular review of this aspect.

FINANCIAL AND OPERATIONAL PERFORMANCE:

Turnover increased by 3.71% to ₹ 117.43 Crores during the year ended 31st March, 2014 as compared to ₹ 113.23 Crores during the previous year.

EBIDTA (Earnings before Interest, Depreciation, Taxes and Extra Ordinary Item) for the Current year is ₹ 17.86 Crores as against ₹ 21.95 Crores in the previous year.

The Director's recommended dividend @ 18% as against @ 30% in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company recognises the importance and contribution of its Human Resources for its growth and development and is committed to the development of its people. The Company has implemented various methods and practices for Human Resources Development.

The Company has 100 Employees on its roll as on 31st March, 2014.

CAUTIONARY STATEMENTS:

Statements in the Management's Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be "forward looking predictions" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc., whether expressed or implied. Factors which would make a significant difference to the Company's operations include achievement of better quality and good market price in domestic and overseas market, changes in Government regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.



CORPORATE GOVERNANCE REPORT

In pursuance of Clause 49 of the Listing Agreement, the Company has complied 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 a 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 :

For IGCL, Corporate Governance is an important corner stone which creates shareholders' value on a sustainable basis. As stated in the past, your company reiterates its commitment to the concept of trusteeship. The creed of trusteeship, the backbone of good Corporate Governance is pursued by your company with consistent and effective adherence to the philosophy of transparency, adequate disclosure, fairness to all and independent monitoring and supervision in the conduct of its business operation.

2. BOARD OF DIRECTORS :

A. Composition of the Board :

It is well recognized that there should be an optimum combination of Executive and Non-Executive Directors. IGCL's Board meets this requirement as it is consisting of 3 Independent Directors, out of the total 5 directors as on 31.03.2014.

Sr. No.	Name of the Directors	Category	Number of Directorship in Companies	Number of Chairmanship / membership in Board Committees
1.	Mr. M. D. Vora (Expired on 25.12.13)	Non-Executive Independent	2	2
2.	Mr. N. C. Mirani	Non-Executive	4	2
3.	Mr. V. C. Mirani	Managing Director	1	1
4.	Mr. K. C. Dalal	Non-Executive Independent	1	2
5.	Mr. S. N. Pittie	Non-Executive Independent	2	3
6.	Mr. P. P. Madhavji	Non-Executive Independent	3	4

B. Details of numbers, dates and attendance of the Board Meetings :

Sr. No.	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
1.	Mr. M. D. Vora (Expired on 25.12.13)	4	4	YES
2.	Mr. N. C. Mirani	5	4	YES
3.	Mr. V. C. Mirani	5	5	YES
4.	Mr. K. C. Dalal	5	5	YES
5.	Mr. S. N. Pittie	5	5	YES
6.	Mr. P. P. Madhavji	5	5	YES

Total 5 Board meetings were held in the year 2013-2014.

The dates on which the said meetings were held are as follows :

- (1) 30.05.2013
- (2) 13.08.2013
- (3) 23.08.2013
- 4) 31.10.2013
- 5) 11.02.2014



INDIA GELATINE & CHEMICALS LTD.

3. AUDIT COMMITTEE :

A. 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 quarterly, 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.

B. Composition :

The Audit Committee of the Board of Directors was formed in 2001 and as on today it comprises of 4 Non-Executive Directors. The Committee met 4 times during the year and the attendance of Members at the Meeting was as follows :

Sr. No.	Name of Member	Status	No. of meetings attended
1.	Mr. K. C. Dalal	Chairman	4
2.	Mr. M. D. Vora (Expired on 25.12.13)	Member	3
3.	Mr. N. C. Mirani	Member	3
4.	Mr. S. N. Pittie	Member	4
5.	Mr. P. P. Madhavji (Appointed on 11.02.14)	Member	0

The Company Secretary is the Secretary of the Committee.

Statutory Auditors and Internal Auditors were invited and they attended almost all the meetings.

The Board of Directors in its meeting held on 07.07.2014 approved the revised terms of reference of the Audit Committee and the details of information required to be reviewed by the Audit Committee as required under the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 which came into force from 1st April, 2014 and as required by the revised Clause 49 of the Listing Agreement proposed by SEBI.

4. REMUNERATION COMMITTEE :

A. Composition :

Remuneration committee consists of :

- a) Mr. M. D. Vora - Chairman (Expired on 25.12.13)
- b) Mr. N. C. Mirani - Member
- c) Mr. S. N. Pittie - Member
- d) Mr. K. C. Dalal - Member (Appointed on 11.02.14)

B. Remuneration Policy :

Remuneration of employees largely consists of basic remuneration and 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, and retain talent in the organization and reward merit.

The Board of Directors in its meeting held on 07.07.2014 approved the change of name of the 'Remuneration Committee' to 'Nomination and Remuneration Committee' and the revised terms of reference of the Committee as required under the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 which came into force from 1st April, 2014 and as required by the revised Clause 49 of the Listing Agreement proposed by SEBI.



INDIA GELATINE & CHEMICALS LTD.

C. Details of Directors' remuneration paid for the year ended 31.03.2014 :

A. Managing Director :

₹ lacs

Name	Salary	Comm.	Perks	Retirement Benefits	Total
Mr. V. C. Mirani Managing Director	60.00	Nil	23.66	10.03	93.69

1. Notice period for termination of appointment of Managing Director is six months on either side.
2. No severance pay is payable on termination of appointment.

B. Others :

1. All Indian Non Executive Directors are paid sitting fees of ₹ 5,000/- for attending Board and Audit Committee meetings.
2. Professional Fees of ₹ 67,416/- has been paid to M/s. C. C. Dalal & Co., a firm in which Mr. K. C. Dalal, a Non- Executive Director, is a partner.

5. SHAREHOLDERS' GRIEVANCE / SHARETRANSFER COMMITTEE :

A. Terms of reference :

The committee deals with various matters relating to :

- Transfer / Transmission / Transposition of Shares.
- Consolidation / splitting of Folios.
- Issue of Share Certificates for Lost, Subdivided, Consolidated, Rematerialized, Defaced etc.
- Investors grievances and redressed mechanism and recommend measures to improve the level of investor services.

B. Composition :

The Shareholders' Grievance Committee comprises of the Chairman and two Directors.

During the year, the Committee held 20 meetings and the attendance of Members was as follows :

Sr.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. V. C. Mirani	Chairman	20
2.	Mr. S. N. Pittie	Member	20
3.	Mr. P. P. Madhavji	Member	*5

* Appointed as a member to the Committee vide Board Resolution dated 11.02.2014

The Company Secretary is the Compliance Officer.

The Board of Directors in its meeting held on 07.07.2014 approved the change of name of the 'Shareholders Grievance Committee' to 'Stakeholders Relationship Committee' and the revised terms of reference of the Committee as required under the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 which came into force from 1st April, 2014 and as required by the revised Clause 49 of the Listing Agreement proposed by SEBI.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Board of Directors in its meeting held on 07.07.2014 approved the constitution of the Corporate Social Responsibility Committee pursuant to provisions of Section 135 of the Companies Act, 2013 and directed the Committee to formulate the CSR policy keeping in mind the provisions of Schedule VII to the Companies Act, 2013.

7. CODE OF CONDUCT :

The Code of Conduct for the Directors and Senior Management Personnel has been laid down by the Board in the meeting held on 19.07.2006.



INDIA GELATINE & CHEMICALS LTD.

The Company has refined its Code of Conduct and Business Ethics, at the Board meeting held on 09.05.2012, as per the modified requirements of the Listing Agreement and SEBI, and the same is available on the website of the Company.

Annual declaration of the Code has been taken from all the Directors and Senior Management Personnel of the Company.

8. INSIDER TRADING :

The Securities and Exchange Board of India (SEBI) has introduced amendments to the existing Insider Trading Regulations of 1992 which requires new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Regulations, 1992) as amended from time to time, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading' (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

Ms. P. P. Mepani, Company Secretary has been appointed as the Compliance Officer for monitoring adherence to these Regulations.

9. DISCLOSURES :

A. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

There are no materially significant related party transactions made by the Company with its Promoters, Directors in Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in No. 26(B)10 B&C of Notes to the Financial Statements in the Annual Report.

B. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the annexure to Notes to the Financial Statements.

C. Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

D. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

E. Non-mandatory requirements

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

10. MEANS OF COMMUNICATION :

A. The Board of Directors of the Company approves and takes on record the quarterly, half-yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the prescribed time limit.

B. The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the national English newspapers namely "Indian Express (English and Gujarati editions) and Financial Express".

C. Pursuant to Clause 51 and newly inserted Clause 52 of the Listing Agreement all data related to quarterly financial results, shareholding pattern etc., are filed with the Stock Exchange within time.

D. No formal presentations were made to the Institutional investors and analysts during the year under review.



INDIA GELATINE & CHEMICALS LTD.

E. Management Discussion and Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

11. 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:

Consecutive Year	No. of AGM	Held at	Date	Time
2010-2011	39 th	GICEA (Nirman Bhavan) Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006	28.09.2011	11.00 am
2011-2012	40 th	GICEA (Nirman Bhavan) Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006	28.09.2012	11.00 am
2012-2013	41 st	GICEA (Nirman Bhavan) Gajjar Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006	23.08.2013	11.00 am

Whether special resolutions were put through postal ballot last year? N.A

Are polls proposed to be conducted through postal ballot this year? N.A

12. SHAREHOLDERS INFORMATION :

1. 42nd Annual General Meeting

Date : Friday, 5th September, 2014

Time : 11.00 a.m.

Venue : GICEA, Nirman Bhavan, (Gajjar Hall),
Near Law Garden, Ellisbridge, Ahmedabad - 380006.

2. Date of Book Closure : 29.08.2014 to 05.09.2014
(Both days inclusive)

3. Listing of Shares

- Bombay Stock Exchange
- Ahmedabad Stock Exchange

4. Stock Code :

Stock Exchange

Ahmedabad Stock Exchange Ltd.

Bombay Stock Exchange Ltd.

Demat ISIN in NSDL and CDSL

Website

Stock Code

25710

531253

INE342D01012

www.indiagelatine.com



INDIA GELATINE & CHEMICALS LTD.

Market Price Data (Bombay Stock Exchange) for the year 2013-14

(₹)

MONTH	HIGH	LOW
April	80.50	68.00
May	94.00	65.90
June	68.00	55.00
July	65.00	56.95
August	67.85	53.05
September	66.95	54.00
October	62.25	55.00
November	63.95	57.00
December	75.40	56.60
January	90.00	63.00
February	81.75	58.60
March	74.00	63.55

5. Address for investor correspondence :

SHAREPRO SERVICES (INDIA) PVT. LTD.

13AB Samhita Warehousing Complex,
Second Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Andheri (East),
Mumbai – 400 072.

Tel. No. : (022) 67720300, Fax No. : (022) 28591568

E-mail : sharepro@shareproservices.com

INDIA GELATINE & CHEMICALS LTD.

703/704, "Shilp", 7th floor,
Near Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad – 380 009.

Tel. No. : (079) 26469514

E-mail : ppm@indiagelatine.com

Investors Relations e-mail : investor@indiagelatine.com

6. **Distribution of Shareholding as at 31.03.2014**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	Share Holding %
1 to 1000	4241	988610	10.52
1001 to 5000	425	927229	9.86
5001 to 10000	49	349499	3.72
10001 and above	63	7134662	75.90
	4778	9400000	100.00

7. Equity Shares of the company are traded in Demat.

8. Outstanding GDRs/Warrants : Not Applicable.

9. Plant Location : Manufacturing Plant of the Company is situated at Plot No.1A, GIDC, Industrial Estate, National Highway No. 8, Vapi-396 195, Gujarat.



INDIA GELATINE & CHEMICALS LTD.

10. Green Initiative for Paperless Communications :

The Ministry of Corporate Affairs, Government of India (MCA) has, vide Circular No. 18/2011 dated 29th April, 2011, undertaken a 'Green Initiative in Corporate Governance' allowing companies to send the Annual Report and other documents to their shareholders electronically.

The Securities and Exchange Board of India has, vide Circular No. CIR/CFD/DIL/7/2011 directed listed companies to supply soft copies of Annual Reports to all those shareholders who have registered their e-mail addresses for the purpose.

Keeping in view the underlying theme and the circulars issued by MCA and SEBI, the Company proposes to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.

Please note that you will continue to be entitled to receive, upon your request, free of cost, a copy of the Annual Report and all other communication that may be sent to you electronically. The Annual Report will also be available on the Company's website www.indiagelatine.com

This is also a golden opportunity for every shareholder of India Gelatine & Chemicals Limited to contribute to this Corporate Social Responsibility initiative of the company. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Board of Directors of the company have approved and adopted the code of conduct for the Directors and the Senior Management Personnel. The Directors and Senior Management Personnel have affirmed compliance of the same for the year ended 31.03.2014 as stipulated in sub-Clause 1(D)(ii) of Clause 49 of the Listing Agreement with the Stock Exchange.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 07.07.2014

Viren C. Mirani
Chairman & Managing Director



INDIA GELATINE & CHEMICALS LTD.

CEO/CFO CERTIFICATE

The Board of Directors,
INDIA GELATINE & CHEMICALS LTD.

We certify that :

1. We have reviewed the Financial Statements, read with the Cash Flow Statement of India Gelatine & Chemicals Limited (the Company) for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
4. We have disclosed to the Company's Auditors, the Audit Committee, and the Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in the Company's internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - c) that to the best of our knowledge, no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting existed during the period under review.

Place : Mumbai
Date : 24.05.2014

K. P. Vagadia
(Financial Controller)

Viren C. Mirani
(Managing Director)

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To,
The Members of
INDIA GELATINE & CHEMICALS LTD.

1. We have examined the compliance of conditions of Corporate Governance by India Gelatine & Chemicals Ltd. (the Company) for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Mahendra N. Shah & Co.**,
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Date : 08.07.2014

CA Chirag M. Shah
Partner
M. No.F-45706



INDEPENDENT AUDITORS' REPORT

To the Members of
INDIA GELATINE & CHEMICALS LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of INDIA GELATINE & CHEMICALS LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013 and in accordance the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 4(A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013;



INDIA GELATINE & CHEMICALS LTD.

- e) On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1)(g) of the Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Mahendra N. Shah & Co.**,
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Date : 26.05.2014

CA Chirag M. Shah
Partner
M. No.F-45706

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 of the Auditors' Report of even date to the members of India Gelatine & Chemicals Ltd. on the Financial Statements for the year ended 31st March, 2014

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) There is a regular programme of verification which in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed off substantial part of Fixed Assets.
2. (a) Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has granted Loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(i) The Company has granted loan to associate concern and maximum amount outstanding at any time is aggregating to ₹ 500.92 lacs during the year.
(ii) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima-facie prejudicial to the interest of the Company.
(iii) The payment of Principal Amount as well as Interest thereof are also regular.
(iv) In respect of loans granted by the Company, the same are repayable on demand and ₹ 404.05 lacs is outstanding at the end of the year.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly the provisions of Clauses iii(e), iii(f) and iii(g) of the Order are not applicable.
4. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weaknesses have been noticed in internal control system.
5. (a) The particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register maintained under that section.
(b) The transactions in excess of ₹ 5.00 lacs made in pursuance of contracts or arrangements referred to in Section 301 of the Act are, in our opinion, at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and any other relevant provisions of the Act.



INDIA GELATINE & CHEMICALS LTD.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Value Added Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of such taxes, duties, cess were outstanding, as at 31st March, 2014 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the following demands as on 31.03.2014 have not been deposited since appeals are pending before the relevant authorities.

Name of the Statute	Nature of dues	Amount (₹ lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty & Service Tax	23.56	1980-81 to 1983-84	Dy. Commissioner of CEGAT Excise

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the bank during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of Clause (xii) of the Order are not applicable to the Company.
13. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society. Accordingly, the provisions of Clause (xiii) of the Order are not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All securities & other investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company.
16. In our opinion and according to the information and explanation given to us the Company has applied the term loans prima facie for the purpose for which the loans were obtained.
17. According to information and explanations given to us on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment to parties or companies covered in the register maintained under Section 301 of the Act.
19. The Company has not raised any funds through debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. Based on audit procedure performed and as per the information and explanations given by the Management, no fraud on or by the Company was noticed or reported during the year.

For **Mahendra N. Shah & Co.**,
Chartered Accountants
FRN 105775W

Place : Ahmedabad
Date : 26.05.2014

CA Chirag M. Shah
Partner
M. No.F-45706



BALANCE SHEET AS AT 31st MARCH, 2014

₹ lacs

	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	940.00	940.00
(b) Reserves and surplus	2	10,498.47	9,890.86
		11,438.47	10,830.86
2 Non-current Liabilities			
(a) Long-term borrowings	3	-	1.63
(b) Deferred tax liabilities (Net)	4	904.11	935.92
(c) Other Long term liabilities	5	4.84	4.84
(d) Long-term provisions	6	553.38	1,412.56
		1,462.33	2,354.95
3 Current Liabilities			
(a) Trade payables		397.55	470.93
(b) Other current liabilities	7	50.25	71.30
(c) Short-term provisions	8	1,444.39	1,229.25
		1,892.19	1,771.48
TOTAL		14,792.99	14,957.29
II. ASSETS			
Non-current Assets			
1 (a) Fixed assets			
(i) Tangible assets	9(a)	4,863.02	5,156.32
(ii) Intangible assets	9(b)	50.70	67.05
(iii) Capital work-in-progress	9(c)	50.50	200.46
(b) Non-current investments	10	1,332.00	1,374.41
(c) Long-term loans and advances	11	618.81	1,502.44
(d) Other Non Current Assets	12	88.20	-
		7,003.23	8,300.68
2 Current Assets			
(a) Current investments	13	-	7.93
(b) Inventories	14	2,827.25	2,296.65
(c) Trade receivables	15	636.28	781.22
(d) Cash and cash equivalents	16	1,279.35	1,463.53
(e) Short-term loans and advances	17	2,969.24	2,025.39
(f) Other current assets	18	77.64	81.89
		7,789.76	6,656.61
TOTAL		14,792.99	14,957.29

Significant Accounting Policies and the accompanying Notes are an integral part of the Financial Statements

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As per our attached report of even date.

For **MAHENDRA N. SHAH & CO.**
Chartered Accountants
FRN105775W
CA Chirag M. Shah
Partner
M. No.: F-45706
Place : Ahmedabad
Date : 26.05.2014

Viren C. Mirani
Managing Director

Preetal P. Mepani
Company Secretary

Place : Mumbai
Date : 24.05.2014

K. C. Dalal
N. C. Mirani
P. P. Madhavji
Directors



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ lacs

	Note No.	2013-2014	2012-2013
I. Revenue from operations	19	12,092.53	11,712.44
II. Other income	20	260.78	298.47
III. Total Revenue (I + II)		12,353.31	12,010.91
IV. Expenses:			
Cost of materials consumed	21	5,594.73	4,940.21
Changes in Inventories (Finished goods, work-in-progress and Stock-in-Trade)	22	(625.82)	(439.78)
Employee benefit expenses	23	390.70	373.02
Finance costs	24	0.86	5.46
Depreciation and amortization expense		540.06	487.77
Other expenses	25	5,207.54	4,942.61
Total Expenses		11,108.07	10,309.29
V. Profit before tax (III-IV)		1,245.24	1,701.62
VI. Tax expense:			
(1) Current tax		425.00	477.86
(2) Deferred tax		(31.81)	83.57
VII. Profit for the year (V-VI)		- 852.05	1,140.19
VIII. Short / (Excess) Provision of taxation of earlier years (Net)		46.48	-
IX. Profit for the year (VII - VIII)		805.57	1,140.19
X. Earnings per equity share:			
Basic & Diluted		8.57	12.13

Significant Accounting Policies and the accompanying Notes are an integral part of the Financial Statements

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As per our attached report of even date.

For **MAHENDRA N. SHAH & CO.**
Chartered Accountants
FRN105775W
CA Chirag M. Shah
Partner
M. No.: F-45706
Place : Ahmedabad
Date : 26.05.2014

Viren C. Mirani
Managing Director

Preetal P. Mepani
Company Secretary

Place : Mumbai
Date : 24.05.2014

K. C. Dalal
N. C. Mirani
P. P. Madhavji
Directors



INDIA GELATINE & CHEMICALS LTD.

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 1 Share Capital

	As at 31 st March, 2014		As at 31 st March, 2013	
	Number	₹ lacs	Number	₹ lacs
Authorised Equity Shares of ₹ 10/- each	12,500,000	1,250.00	12,500,000	1,250.00
Issued Equity Shares of ₹ 10/- each	9,400,000	940.00	9,400,000	940.00
Subscribed & Fully Paid up Equity Shares of ₹ 10/- each fully paid	9,400,000	940.00	9,400,000	940.00
Total	9,400,000	940.00	9,400,000	940.00

(a) Particulars of Share Holders holding more than 5% shares in the Company

Name of Shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Divyaprabha C. Mirani	549,534	5.85	549,534	5.85
Manorama N. Mirani	564,580	6.00	564,580	6.00
Nippi Incorporated	-	-	920,000	9.79
Olive Finance & Investment Pvt. Ltd.	1,874,599	19.94	1,874,599	19.94
Viren C. Mirani	640,846	6.82	-	-

(b) Terms and Rights attached to Equity Shares:

The company has only one class of equity shares having at par value of ₹ 10/- each per share.

Each Equity shareholder is entitled to one vote per share.

The company declares and pays dividend in Indian Rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014 an amount of ₹ 1.80 per share of dividend is recognised as distribution to equity shareholders (Previous year ₹ 3.00 per share)

Note 2 Reserves & Surplus

	As at	As at
	31 st March, 2014	31 st March, 2013
	₹ lacs	₹ lacs
a. Capital Reserves	630.26	630.26
b. Securities Premium Account	1,363.40	1,363.40
c. General Reserves		
Opening Balance	7,231.89	6,731.89
(+) Transferred from statement of Profit and Loss	100.00	500.00
Closing Balance	<u>7,331.89</u>	<u>7,231.89</u>
d. Surplus in Statement of Profit and Loss :		
Opening balance	665.31	355.05
(+) Net Profit for the current year	805.57	1,140.19
(-) Proposed Dividend	169.20	282.00
(-) Dividend Distribution Tax	28.76	47.93
(-) Transfer to Reserves	100.00	500.00
Closing Balance	<u>1,172.92</u>	<u>665.31</u>
Total	10,498.47	9,890.86



NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 3 Long Term Borrowings

	As at	As at
	31 st March, 2014	31 st March, 2013
	₹ lacs	₹ lacs
Secured Loan :		
Term loan :		
From ICICI Bank Ltd	-	1.63
(Secured against Vehicles)		
Total	-	1.63

Note 4 Deferred Tax Liabilities (Net)

Opening Balance	935.92	852.35
Add/(Less) : Provided /(written back) during the year	(31.81)	83.57
Total	904.11	935.92

Note 5 Other Long Term Liabilities

Security Deposit	4.84	4.84
Total	4.84	4.84

Note 6 Long Term Provisions

(a) Provision for employee benefits		
Leave Encashment (unfunded)	71.38	65.14
(b) Others :		
Provisions for Tax & Disputed Matters	482.00	1,347.42
Total	553.38	1,412.56

Note 7 Other Current Liabilities

(a) Current maturities of Long term borrowings (secured against vehicle)	1.48	10.50
(b) Advance from Customers	13.71	35.84
(c) Unpaid dividend	20.25	15.11
(d) Other Current Liabilities	14.81	9.85
Total	50.25	71.30

Note 8 Short Term Provisions

(a) Provision for employee benefits	9.27	8.32
(b) Others :		
(i) Proposed Dividend	169.20	282.00
(ii) Tax on Dividend	28.76	47.93
(iii) Provision for Income tax & Others	1,237.16	891.00
Total	1,444.39	1,229.25



Note 9 Fixed Assets

₹ lacs

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	Balance as at 1 st April, 2013	Additions	Balance as at 31 st March, 2014	Up to 31 st March, 2013	Depreciation for the year	Adjustment due to Sale etc.	Balance as at 31 st March, 2014	Balance as at 31 st March, 2013
a								
Tangible Assets								
Land (Freehold)	4.46	-	4.46	-	-	-	4.46	4.46
Land (Leasehold)	21.55	-	21.55	3.53	0.22	-	17.80	18.02
Buildings	1,707.72	25.61	1,733.33	639.64	41.33	-	1,052.36	1,068.08
Plant and Equipment	8,567.66	200.04	8,767.70	4,885.50	430.81	-	3,451.39	3,682.16
Furniture and Fixtures,	198.05	4.76	202.81	126.76	7.20	-	68.85	71.29
Office equipment	452.58	-	452.58	149.55	42.31	-	191.86	303.03
Vehicles	36.06	-	36.06	26.78	1.84	-	7.44	9.28
Laboratory Equipment								
Total	10,988.08	230.41	11,218.49	5,831.76	523.71	-	4,863.02	5,156.32
b								
Intangible Assets								
Technical Know How	309.74	-	309.74	242.69	16.35	-	259.04	67.05
Total	309.74	-	309.74	242.69	16.35	-	259.04	67.05
c								
Capital Work In Progress								
	200.46	10.10	50.50	-	-	-	50.50	200.46
Total	200.46	10.10	50.50	-	-	-	50.50	200.46
Total (a+b+c)	11,498.28	240.51	11,578.73	6,074.45	540.06	-	4,964.22	5,423.83



INDIA GELATINE & CHEMICALS LTD.

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 10 Non-Current Investments

	As at 31 st March, 2014	As at 31 st March, 2013
	₹ lacs	₹ lacs
Investments (Non Trade)		
(a) Investment in Equity Shares	827.14	890.05
(b) Investment in debentures or bonds	323.62	323.62
(c) Investment in Mutual Funds	181.18	160.68
(d) Other non-current investment - National Savings Certificate	0.06	0.06
Total	1,332.00	1,374.41
Aggregate amount of quoted investments (Market Value of ₹ 324.76 Lacs) (Previous Year ₹ 388.49 Lacs)	329.71	392.62
Aggregate amount of unquoted investments at cost ₹ 1002.29 Lacs (Previous Year ₹ 981.79 Lacs)	1,002.29	981.79


INDIA GELATINE & CHEMICALS LTD.
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
Note 10 Non-Current Investments

Details of Non Current Investments (At Cost)								
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ lacs)	
			As at 31 st March 2014	As at 31 st March 2013			As at 31 st March 2014	As at 31 st March 2013
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a) Investment in Equity Shares								
1	Tamilnadu Jaibharat Mills Ltd.	Others	50,000	50,000	Quoted	Fully Paid	5.00	5.00
2	Autolite (India) Ltd.	Others	100	100	Quoted	Fully Paid	0.09	0.09
3	Lakshmi Machines Works Ltd.	Others	-	525	Quoted	Fully Paid	-	9.70
4	Alpha Geo (India) Limited	Others	-	950	Quoted	Fully Paid	-	2.01
5	Bharat Forge Limited	Others	-	5,300	Quoted	Fully Paid	-	18.12
6	Centum Electronics Limited	Others	-	7,000	Quoted	Fully Paid	-	8.98
7	EID Parry (India) Limited	Others	-	7,160	Quoted	Fully Paid	-	16.05
8	JSW Steel Ltd.	Others	-	1,075	Quoted	Fully Paid	-	7.11
9	The Orissa Minerals Development Co. Ltd.	Others	-	25	Quoted	Fully Paid	-	0.94
10	K. V. Cotton Gin. & Press. Co. Pvt. Ltd.	Associates	9,700	9,700	Unquoted	Fully Paid	97.00	97.00
11	Supreme Yarn Spinners Ltd.	Others	6,000	6,000	Unquoted	Fully Paid	0.60	0.60
12	Shri Vigneswara Cotton Mills Limited	Others	6,000	6,000	Unquoted	Fully Paid	0.60	0.60
13	SCIL Capital India Limited	Associates	5,500,000	5,500,000	Unquoted	Fully Paid	552.85	552.85
14	SKM Engg. Products Export (I) Ltd.	Others	10,000	10,000	Unquoted	Fully Paid	1.00	1.00
15	Ugam Solutions Pvt. Ltd.	Associates	10,000	10,000	Unquoted	Fully Paid	170.00	170.00
Total							827.14	890.05
(b) Investments in Debentures/Bonds								
1	National Highway Authorities of India	Others	12,362	12,362	Quoted	Fully Paid	123.62	123.62
2	Cholamandalam Investment & Finance Co. Ltd.	Others	20	20	Quoted	Fully Paid	100.00	100.00
3	Religare Finvest Ltd.	Others	10,000	10,000	Quoted	Fully Paid	100.00	100.00
Total							323.62	323.62
(c) Investments in Mutual Funds								
1	Kotak India Growth Fund	Others	10,474	11,384	Unquoted	Fully Paid	101.26	110.05
2	Kotak India Growth Fund - II	Others	100	100	Unquoted	Fully Paid	79.92	50.63
Total							181.18	160.68
(d) Other non-current investments								
1	National Savings Certificate	Others	-	-	Unquoted	Fully Paid	0.06	0.06
Total							0.06	0.06
Grand Total							1,332.00	1,374.41



NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 11 Long Term Loans and Advances

	As at	As at
	31 st March, 2014	31 st March, 2013
	₹ lacs	₹ lacs
Unsecured, considered good		
(a) Security Deposits	54.29	77.49
(b) Other Loans & Advances	564.52	1,424.95
Total	618.81	1,502.44

Note 12 Other Non Current Assets

Sundry Advances for Capital Goods	88.20	-
Total	88.20	-

Note 13 Current Investments

Investment (Non-Trade)		
Investment in Ratio Spread Scheme	-	7.93
Total	-	7.93

Details of Current Investments									
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ lacs)		Basis of Valuation
			As at 31 st March 2014	As at 31 st March 2013			As at 31 st March 2014	As at 31 st March 2013	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(a)	Investments in Margin Money of Ratio Spread Scheme								
1	SMC Global F.D.	Others	Nil	Nil	N.A.	N.A.	0.00	7.93	At Cost
	Total						0.00	7.93	—

Note 14 Inventories

	As at	As at
	31 st March, 2014	31 st March, 2013
	₹ lacs	₹ lacs
(Valued at cost or net realisable value whichever is lower)		
a. Raw Materials	452.70	565.30
b. Work-in-progress	773.78	630.31
c. Finished goods	1,360.81	878.46
d. Stores and spares and components	237.66	220.23
e. Loose Tools	2.30	2.35
Total	2,827.25	2,296.65



INDIA GELATINE & CHEMICALS LTD.

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 15 Trade Receivables (Unsecured)

	As at 31 st March, 2014	As at 31 st March, 2013
	₹ lacs	₹ lacs
(a) Outstanding for a period exceeding six months from the date they are due for payment (considered good)	4.04	3.28
(b) Others (considered good)	632.24	777.94
Total	636.28	781.22

Note 16 Cash and Cash Equivalents

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
(a) Cash on hand		1.86		0.92
(b) Balances with banks				
(i) In Current Accounts	970.30		1,164.33	
(ii) Earmarked Balances (unpaid dividend accounts)	20.24	990.54	15.12	1179.45
(iii) In Deposit Accounts :				
(a) Margin money Deposit	186.95		148.16	
(b) Bank deposits with more than 12 months maturity	100.00	286.95	135.00	283.16
Total		1,279.35		1,463.53

Note 17 Short Term Loans and Advances

	As at 31 st March, 2014	As at 31 st March, 2013
	₹ lacs	₹ lacs
Unsecured, considered good		
a. Loans and advances to related parties	390.00	500.92
b. Staff Loans & Advances	1.17	1.58
c. Other Loans and Advances	2,578.07	1,522.89
Total	2,969.24	2,025.39

Note 18 Other Current Assets

	₹ lacs	₹ lacs
Interest Receivable	77.64	81.89
Total	77.64	81.89


INDIA GELATINE & CHEMICALS LTD.
NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
Note 19 Revenue From Operations

	2013-2014	2012-2013
	₹ lacs	₹ lacs
(a) Sale of products		
Gross Sales	11,862.16	11,434.29
Less :		
Excise duty	119.02	111.28
Net Sales	11,743.14	11,323.01
Details of finished goods sold :		
Ossein	2,398.90	2,558.60
Gelatine	6,697.69	5,598.16
Di-calcium Phosphate	2,646.55	3,166.25
Total Sales	11,743.14	11,323.01
(b) Other Operating Revenue		
(i) Miscellaneous Sales	100.84	112.45
(ii) SHIS Licence Incentive	5.39	60.68
(iii) Duty Drawback	115.06	110.15
(iv) Service Tax Refund	9.49	6.80
(v) HCL Lifting charges	118.61	99.35
	349.39	389.43
Total	12,092.53	11,712.44

Note 20 Other Income

Interest Income	155.52	185.36
Dividend Income	97.41	85.37
Profit on sales of investments	5.54	22.69
Miscellaneous Income	2.31	5.05
Total	260.78	298.47

Note 21 Raw Materials Consumed

	2013-2014		2012-2013	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
Opening Stock		565.30		324.34
Add: Purchase during the year				
i) Crushed Bones	5,076.24		4,834.52	
ii) Lime	317.71		318.18	
iii) Hydrochloric Acid	88.18	5,482.13	28.47	5,181.17
		6,047.43		5,505.51
Less: Closing Stock		452.70		565.30
Consumption of materials which includes		5,594.73		4,940.21
Consumption of				
i) Crushed Bones		5,189.38		4,594.49
ii) Lime		316.81		318.00
iii) Hydrochloric Acid		88.54		27.72



NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 22 Changes in Inventories

	2013-2014		2012-2013	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
Closing Stock				
Finished	1,360.81	2,134.59	878.46	1,508.77
Work in Process	773.78		630.31	
Less :				
Opening Stock				
Finished	878.46	1,508.77	561.74	1,068.99
Work in Process	630.31		507.25	
(Increase)/Decrease		(625.82)		(439.78)

Note 23 Employee Benefit Expenses

	2013-2014	2012-2013
	₹ lacs	₹ lacs
Salary, Wages & Bonus	346.79	337.36
Staff Welfare Expenses	6.71	8.61
Contribution to Provident Fund	13.07	10.75
Contribution to ESI Scheme	1.63	1.53
Gratuity - Contribution to LIC Scheme	22.50	14.77
Total	390.70	373.02

Note 24 Finance Cost

	2013-2014	2012-2013
Interest expense	0.86	5.46
Total	0.86	5.46

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****Note 25 Other Expenses**

	2013-2014		2012-2013	
	₹ lacs	₹ lacs	₹ lacs	₹ lacs
Packing Materials Consumed		87.56		88.10
Stores, Spares & Tools Consumed		412.06		536.89
Power & Fuel		2,574.27		2,304.95
Labour Charges		208.91		230.80
CETP, Water and Effluent Treatment Charges		368.27		334.47
Repairs				
Machinery	227.90		200.34	
Building	144.57		106.47	
Others	12.24	384.71	12.72	319.53
Export Expenses		188.40		195.06
Freight and Cartage		86.02		81.89
Insurance		25.86		20.22
Rent, Rates & Taxes		50.98		43.14
Postage and Telephone		19.32		18.54
Stationery & Printing		8.17		7.42
Advertisement & Sales Promotion Expenses		37.87		32.88
Commission and Discount on Sales		164.78		147.63
Legal & professional fees		141.16		133.80
Director's Sitting Fees		1.85		1.60
Donation		4.01		14.12
Travelling Expenses		185.11		185.03
Loss on Sale of Fixed Assets		-		12.51
General Expenses		186.57		162.57
Sales Tax		71.66		71.46
Total		5,207.54		4,942.61



INDIA GELATINE & CHEMICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

Note 26(A)

SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Accounting :

The Financial Statements are prepared under the historical cost convention as a going concern and on accrual basis accordance with the generally accepted accounting principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 (The Act).

2. Use of Estimates :

The presentation of Financial Statements require estimates and disclosure of contingent liabilities assumptions to be made that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3. Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction, net of cenvat credit, including incidental expenses related to acquisition and installation and financing costs till the commencement of commercial production and adjustments arising from exchange rate variation relating to borrowings attributable to fixed assets, less accumulated depreciation.

Free hold land is stated at cost.

4. Depreciation :

The Company has continued to provide depreciation on straight line method at the revised rates on the original cost of the assets as per circular dated 20.12.93. In respect of other assets for which rates are not revised, the Company has continued to provide depreciation on straight line method as specified in schedule XIV of the Companies Act, 1956.

Leasehold Land is amortized over the period of lease.

5. Inventories :

Items of inventories are valued on the FIFO/Specific Weighted Average Cost and on the basis given below :

a) Stores and Spares, Packing Materials, Fuel & Loose tools	-	At cost or net realizable value, whichever is lower
b) Raw Materials	-	At cost or net realizable value, whichever is lower
c) Work-in-Process	-	At cost or net realizable value, whichever is lower
d) Finished Goods	-	At cost or net realizable value, whichever is lower

Costs of inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

6. Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

7. Investments :

Long Term Investments are carried at cost less provision for permanent diminution, if any, in value of such investments.

8. Employees Benefits:

Short term employee benefits (which are payable within 12 months after the end of the period in which the employees render service) are measured at cost.

Long term employee benefits (which are payable after the end of 12 months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of Actuarial Valuation.



INDIA GELATINE & CHEMICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

Contribution to provident fund a defined contribution plan is made in accordance with the statute.

The cost of providing leave encashment and gratuity defined benefit plans are determined using Projected Unit Credit Method on the basis of Actuarial Valuation.

9. Impairment of Assets :

The company on an Annual basis makes an assessment of any indicator that may lead to impairment of Assets. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by creating the difference as impairment loss & is charged to the Statement of Profit & Loss.

10. Excise duty and Cenvat Credit :

Excise Duty payable on finished goods is accounted for on clearance of goods. Cenvat credit on Capital goods and inputs is accounted for on the date of actual receipt of the same, respectively.

11. Foreign Currency Transactions :

(a) Initial recognition :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the date of the transaction.

(b) Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of the transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange differences :

Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(d) Forward Exchange Contracts not intended for trading :

The premium or discount arising of the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

12. Revenue Recognition :

Income and Expenditure are recognized and accounted on Accrual Basis. Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers and no effective ownership is retained. However.

(a) Revenue in respect of insurance/other claims etc., is recognized only when it is reasonably certain that the ultimate collection will be made.

(b) Export Incentive of duty credit scrip of Incremental Export Incentivisation Scheme (IEIS) on annual basis is being accounted for on utilization of scrip.

(c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

13. Segment Accounting :

The Company deals in only one product segment i.e. Chemical Products and hence requirements of AS-17 "Segment Reporting" issued by ICAI are not applicable.

14. Earnings Per Share :

The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax (and includes the post tax effect of any extra ordinary item). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15. Taxation :

(a) Direct Taxes :

Tax expense for the year, comprising of Current Tax and Deferred Tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

(b) Indirect Taxes :

The liabilities are provided or considered as contingent depending upon the merit of each case and/or receiving the actual demand from the department.

16. Cash Flow Statement :

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by operating, Investing and financing activities of the Company.

Cash and Cash Equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

17. Provisions and Contingent Liabilities :

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. A contingent liability is disclosed when the company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed in the Financial Statements.

Note 26(B)

1. Previous year's figures have been regrouped, re-arranged, re-casted wherever necessary to make them comparable with those of the current year.
2. Deficit of ₹ 102.91 Lacs (Previous year deficit of ₹ 36.04 Lacs) & surplus of ₹ 0.60 Lacs (Previous year surplus of ₹ 2.27 Lacs) being the impact of foreign exchange fluctuation has been included in the turnover and purchase of Stores, Spares & Machinery respectively.
3. There are no Micro and Small Enterprise, to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



INDIA GELATINE & CHEMICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

4. Contingent liabilities :

₹ lacs

i) Bank Guarantees issued

	<u>2013-2014</u>	<u>2012-2013</u>
GSPC Gas Company Ltd.	167.39	139.81
Pollution Control Board	5.00	-
Dakshin Gujarat Vij Company Ltd.	82.28	59.09
	<u>254.67</u>	<u>198.90</u>

ii) in respect of claims against the Company not acknowledged as debts

	<u>2013-2014</u>	<u>2012-2013</u>
Excise Duty	8.15	8.15
Service Tax	15.41	15.41
	<u>23.56</u>	<u>23.56</u>

5(a) Defined Benefit Plan in respect of Gratuity as per Actuarial valuations on 31st March, 2014 :

₹ lacs

	<u>31-03-2014</u>	<u>31-03-2013</u>
1. Assumption		
Rate of Interest	9.10 %	8.10%
Salary Growth	6.00 %	6.00%
2. Changes in present value of Obligation as on	31-03-2014	31-03-2013
Present Value of obligation as at beginning of year	150.14	140.28
Interest cost	12.10	10.25
Current Service Cost	9.26	7.21
Benefits paid	(1.49)	(27.56)
Actuarial (gain)/loss on obligations	3.41	19.95
Past Service Liability	16.89	-
Present value of obligations as at end of year	190.31	150.14
3. Changes in the fair value of plan assets as on	31-03-2014	31-03-2013
Fair value of plan assets at beginning of year	154.20	126.81
Expected return on plan assets	14.11	12.37
Contributions	15.64	41.36
Benefits paid	(1.49)	(27.56)
Actuarial Gain/(Loss) on Plan assets	0.29	1.22
Fair value of plan assets at the end of year	182.75	154.20
4. Fair value of plan assets		
Fair value of plan assets at beginning of year	154.20	126.81
Actual return on plan assets	14.11	12.37
Contributions	15.64	41.36
Benefits paid	(1.49)	(27.56)
Actuarial Gain/(Loss) on Plan assets	0.29	1.22
Fair value of plan assets at the end of year	182.75	154.20
Funded status	(7.55)	4.07
Excess of actual over estimated return on plan Assets (Actual rate of return = Estimated rate As ARD falls on 31 st March)	Nil	Nil



INDIA GELATINE & CHEMICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

5. Actuarial (Gain)/Loss recognized	31-03-2014	31-03-2013
Actuarial (gain)/loss on obligation	3.41	19.95
Actuarial (gain)/loss for the year – plan assets	Nil	Nil
Actuarial (gain)/loss on obligations	3.41	19.95
Actuarial (gain)/loss recognized in the year	3.41	19.95
6. The amounts to be recognized in the Balance Sheet and Statements of Profit And Loss		
Present value of obligations as at the end of year	190.31	150.14
Fair value of plan assets as at the end of the year	182.75	154.21
Funded status	(7.55)	4.07
Net Asset(Liability) recognized in Balance Sheet	(7.55)	4.07
7. Expenses Recognized in Statement of Profit & Loss		
Current service cost	9.26	7.21
Interest cost	12.10	10.25
Expected return on plan assets	(14.11)	(12.37)
Net Actuarial (gain)/Loss recognized in the year	3.12	18.73
Expenses recognized in Statement of Profit & Loss	27.26	23.82

- 5(b) In respect of liability of leave encashment up to 31.03.2014 the company has obtained actuarial valuation and has charged ₹ 11.90 lacs in the books.
6. In respect of appeal filed by the company in Income Tax Appellate Tribunal regarding the treatment of receipt of Capital Compensation of ₹ 1253.00 lacs which the company has claimed as exempt has been decided in favour of the Revenue treating the receipt as "Business Income". However, the company has already paid the entire tax of ₹ 384.00 lacs in the respective year. The company has preferred appeal in Gujarat High Court against the impugned order of the ITAT. The company has been legally advised that it has a good case in appeal and hence no provision thereof has been made in the accounts.
7. In terms of Accounting Standard 28 – Impairment of Assets issued by ICAI, the management has reviewed its Fixed Assets and arrived at the conclusion that Impairment Loss which is difference between the carrying amount and recoverable value of Assets, was not material and hence no provision is required to be made.
8. The Sales Tax Assessments of the company are completed up to accounting year 2009-2010.
9. Earnings per share

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Net profit attributable to Shareholders (₹ lacs)	805.57	1,140.19
Weighted average number of Equity Shares	9400000	9400000
Basic earnings per share of ₹ 10/- each	8.570	12.130

The company does not have any outstanding dilutive potential equity shares, consequently the basic and diluted earning per share of the company remain the same.

10. Disclosure in respect of related parties pursuant to Accounting Standard 18;

A. List of Related parties :

- | | | |
|--|---|---|
| 1) Parties where control exists | : | – |
| 2) Other parties with whom company entered into transactions during the year | | |
| i) Joint Ventures | : | – |
| ii) Associates | : | – |



INDIA GELATINE & CHEMICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

- 3) Key Management Personnel and Enterprises having common Key Management Personnel or their Relatives

Key Management Personnel :

Mr. Viren C. Mirani

Managing Director

Enterprises having common Key Management Personnel and/or their Relatives:

- 1) KVS Software Pvt. Ltd.
- 2) Khimji Visram & Sons (Guj) Pvt. Ltd.
- 3) Olive Finance & Investment Pvt. Ltd.
- 4) Khimji Visram & Sons (Partnership Firm)
- 5) Khimji Visram & Sons (Commission Dept) (Partnership Firm)
- 6) Khimji Visram & Company (Partnership Firm)
- 7) K. V. Logistics Pvt. Ltd.
- 8) K. V. Cotton Ginning & Pressing Co. Pvt. Ltd.

Relatives of Key Management Personnel :

Mr. Nayan C. Mirani, brother of Mr. Viren C. Mirani

B. During the year following transactions were carried out with related parties in the ordinary course of business and at Arms Length.

₹ lacs

Sr. No.	Nature of Transaction	Associates	Key Managerial Personnel	Enterprises/Relatives of Key Management Personnel
1.	Managerial Remuneration	—	93.69	—
2.	Loans Given	—	—	190.00
3.	Interest Received	—	—	15.20
4.	Reimbursement of Expenses	—	—	3.23

C. Outstanding balances as on 31.03.2014

₹ lacs

Sr. No.	Nature of Transaction	Associates	Key Managerial Personnel	Enterprises/Relatives of Key Management Personnel
1.	Loans given	— (--)	— (--)	390 (500)
2.	Investment in Shares	819.85 (819.85)	— (--)	— (--)

Figures of previous years are shown in brackets.

11. General Expenses Include**Auditor's Remuneration (Including Service Tax)**

₹ lacs

	<u>2013-2014</u>	<u>2012-2013</u>
a) Audit Fees	2.25	2.25
b) For Tax Audit	0.84	0.84
c) Out of pocket expenses	0.69	0.67
	<u>3.78</u>	<u>3.76</u>

12. The company has entered into forward exchange contracts / options which are not intended for trading or speculative purposes, but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.



INDIA GELATINE & CHEMICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014.

a) **Forward Contracts**
Receivables

Currency	31 st March, 2014		31 st March, 2013	
	Quantity	₹ lacs	Quantity	₹ lacs
USD	2,40,000	153.07	20,65,000	1,159.63
EURO	NIL	NIL	NIL	NIL

Payable

Currency	31 st March, 2014		31 st March, 2013	
	Quantity	₹ lacs	Quantity	₹ lacs
USD	NIL	NIL	NIL	NIL

b) **Un hedged Foreign Currency Exposures at Balance Sheet date :**

Receivables

Currency	31 st March, 2014		31 st March, 2013	
	Quantity	₹ lacs	Quantity	₹ lacs
USD	6,28,992	375.26	8,11,870	440.72
EURO	NIL	NIL	NIL	NIL

13. Value of Imports calculated on C.I.F. Basis in respect of :		₹ lacs
	2013-2014	2012-2013
i) Components - Spare parts	24.49	46.38
ii) Capital Goods	Nil	163.55
14. Expenditure of Foreign Currency on account of :		
a) Revenue Expenditure		
i) Travelling	92.22	85.66
ii) Subscription	4.71	4.84
iii) Commission	114.65	121.19
15. Earning in Foreign Exchange		
Export of goods (FOB)	8,031.40	6,053.97
16. The amount remitted during the year in Foreign Currency		
Payment of Dividend :		
Dividend Paid	27.60	23.00
No. of non-resident shareholders	1	1
Year to which it relate	2012-2013	2011-2012

As per our attached report of even date.

For **MAHENDRA N. SHAH & CO.**
Chartered Accountants
FRN105775W
CA Chirag M. Shah
Partner
M. No.: F-45706
Place : Ahmedabad
Date : 26.05.2014

Viren C. Mirani
Managing Director
Preetal P. Mepani
Company Secretary
Place : Mumbai
Date : 24.05.2014

K. C. Dalal
N. C. Mirani
P. P. Madhavji
Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ lacs

	2013-14		2012-13	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per Statement of Profit & Loss		1245.24		1,701.62
Adjustments :				
Depreciation	540.06		487.77	
Loss on sale of Fixed Assets	-		12.51	
Investment Income	(252.93)		(270.73)	
Interest Paid	0.86		5.46	
Net Gain on Sale of Investments	(5.54)	282.45	(22.69)	212.32
Operating Profit before working capital		1,527.69		1,913.94
Adjusted for :				
i) Trade & other Receivables	(569.31)		53.48	
ii) Stock	(530.60)		(710.39)	
iii) Trade Payable	(78.23)	(1,178.14)	(119.33)	(776.24)
Cash generated from operations		349.55		1,137.70
Interest Paid	(0.86)		(5.46)	
Direct Tax Paid	(424.90)	(425.76)	(588.16)	(593.62)
		(76.21)		544.08
Foreign Exchange effects		-		-
Net Cash from Operating Activities		(76.21)		544.08
B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(80.45)		(1,311.38)	
Foreign exchange effect on fixed assets	-		-	
Sale of Fixed Assets	-		10.22	
Purchase of Investments	(5,616.42)		(5,602.99)	
Sale of Investments	5,672.30		5,658.03	
Interest Income	159.77		153.54	
Dividend Income	97.41		85.37	
Net Cash used in Investing Activities		232.61		(1,007.21)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Borrowing of Funds	-		-	
Repayment of borrowings	(10.65)		(9.93)	
Proceeds from Issue of shares	-		-	
Foreign Exchange Effects on L.T. Borrowings	-		-	
Dividend paid including distribution tax	(329.93)		(273.12)	
Net Cash from Financing Activities		(340.58)		(283.05)
Net Increase in Cash & Cash Equivalents (a+b+c)		(184.18)		(746.18)
Opening Balance of Cash & Cash Equivalents		1,463.53		2,209.71
Closing Balance of Cash & Cash Equivalents		1,279.35		1,463.53
Net Increase/(Decrease) in Cash & Cash Equivalents		(184.18)		(746.18)

As per our attached report of even date.

For **MAHENDRA N. SHAH & CO.**

Chartered Accountants

FRN105775W

CA Chirag M. Shah

Partner

M. No.: F-45706

Place : Ahmedabad

Date : 26.05.2014

Viren C. Mirani

Managing Director

Preetal P. Mepani

Company Secretary

Place : Mumbai

Date : 24.05.2014

K. C. Dalal

N. C. Mirani

P. P. Madhavji

Directors



INDIA GELATINE & CHEMICALS LTD.

703/704, 'Shilp', C.G. Road, Navrangpura,
Ahmedabad – 380009 Gujarat

24.05.2014

Dear Shareholder,

Subject : MCA's Green Initiative for Paperless Communications

The Ministry of Corporate Affairs, Government of India (MCA) has, vide Circular No. 18/2011 dated 29th April, 2011, undertaken a 'Green Initiative in Corporate Governance' allowing companies to send the Annual Report and other documents to their shareholders electronically.

The Securities and Exchange Board of India has, vide Circular No. CIR/CFD/DIL/7/2011 directed listed companies to supply soft copies of Annual Reports to all those shareholders who have registered their e-mail addresses for the purpose.

Our company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses / delays in postal transit.

We therefore propose to send documents, such as the Notice of the Annual General Meeting, Annual Report, half-yearly communications etc. henceforth to shareholders in Electronic Form at the e-mail address provided by them and made available to us by the depositories from time to time. As per our records, your e-mail address is not registered with your Depository Participant / Share Transfer Agent.

In case you wish to receive all the above communications in electronic form; and

- A. hold your shares in dematerialized form, kindly register your e-mail address with your Depository Participant at the earliest, or
- B. hold your shares in physical form, kindly register your e-mail address with our Share Transfer Agent at the following address at the earliest;

Sharepro Services (India) Pvt. Ltd.
Laxman Poojary
 Asst. Client Manager,
 13AB Samhita Warehousing Complex, Second Floor,
 Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,
 Andheri (East), Mumbai – 400 072
 Tel No. : (022) 67720300 Fax No. : (022) 28591568
 E-mail ID : sharepro@shareproservices.com

You may use the format given below for registering your e-mail address with your Depository Participant / Sharepro Services (India) Pvt. Ltd.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our company website, www.indiagelatine.com The document will also be available to you for inspection at the Registered Office of the company during office hours.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is being welcomed by companies like us. Needless to say, you will be, as a member of the company, entitled to be furnished with a copy of the above mentioned documents as required under the provisions of the Companies Act, 1956, free of cost, upon receipt of a requisition from you any time during the year.

We solicit your whole-hearted co-operation in helping the Company implement the e-governance initiatives of the Government in the interest of environment, which is the need of the hour today.

This communication may be ignored, if your e-mail address is already registered with your Depository Participant / Sharepro Services (India) Pvt. Ltd.

Thanking you,

Yours faithfully,

For INDIA GELATINE & CHEMICALS LTD.

Viren C. MIRANI
MANAGING DIRECTOR

E-COMMUNICATION REGISTRATION FORM
 (In terms of circulars dated 21.04.2011 & 29.04.2011
 issued by the Ministry of Corporate Affairs)



INDIA GELATINE & CHEMICALS LTD.
 703/704, 'Shilp', C.G. Road,
 Navrangpura,
 Ahmedabad – 380009 Gujarat

Folio No./DP ID & Client ID No. : _____
 Name of 1st Registered holder : _____
 Name of Joint holder(s) : _____

 E-mail (to be registered) : _____

Please register my above e-mail in your records for receiving communication in electronic form from company/ies of which I/we am/are shareholder(s).

Date : _____

Signature _____
(First holder)

Note : Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.



INDIA GELATINE & CHEMICALS LTD.

Registered Office : 703/704, 'Shilp', 7th Floor, Near Municipal Market, Sheth C.G. Road, Navrangpura, Ahmedabad - 380 009

Tel: +91-079-26469514 Fax : +91-79-26465569 Website : www.indiagelatine.com

Investors Relations e-mail Id: investor@indiagelatine.com Corporate Identity Number (CIN): L99999GJ1973PLC002260

42nd ANNUAL GENERAL MEETING ON 5th SEPTEMBER, 2014 AT 11.00 A.M.

VENUE : GICEA, Nirman Bhavan, (Gajjar Hall), Nr. Law Garden, Ellisbridge, Ahmedabad - 380006

ADMISSION SLIP

PLEASE HAND OVER THE ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL, DULY COMPLETED

Name and Address :

Follo No. / DP ID & Client ID

Holding

Member

Proxy

I hereby record my presence at the Forty Second Annual General Meeting

**SIGNATURE OF THE
SHAREHOLDER / PROXY**

Note :

1. The Proxy form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the meeting. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Members attending the Annual General Meeting are requested to bring with them the following:
 - a. Copy of the Annual Report and Notice as no copies there of would be distributed at the meeting.
 - b. The attendance slip duly completed and signed in terms of specimen signature lodged with the company. The company would accept only the attendance slip from a member actually attending the meeting or from the person attending as a duly registered proxy. Attendance slip of members not personally present at the meeting or relating to proxies which are invalid, will not be accepted from any other members/ person. Please avoid being accompanied by non members.

FORM NO. MGT - 11
(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014



INDIA GELATINE & CHEMICALS LTD.

Registered Office : 703/704, 'Shilp', 7th Floor, Near Municipal Market, Sheth C.G. Road, Navrangpura, Ahmedabad - 380 009

Tel: +91-079-26469514 Fax : +91-79-26465569 Website : www.indiagelatine.com

Investors Relations e-mail Id: investor@indiagelatine.com Corporate Identity Number (CIN): L99999GJ1973PLC002260

PROXY FORM

Name of the Member(s): Registered Address E-mail Id:	Folio No./Client Id: DP Id:
--	--------------------------------

I/We, being the Member(s) of _____ Shares of the above named Company, hereby appoint

- | | | | |
|---|----------------|-----------|----------------------|
| 1 | Name _____ | Address | _____ |
| | Email ID _____ | Signature | _____ or failing him |
| 2 | Name _____ | Address | _____ |
| | Email ID _____ | Signature | _____ or failing him |
| 3 | Name _____ | Address | _____ |
| | Email ID _____ | Signature | _____ |

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 42nd Annual General Meeting of the Company to be held on Friday, 5th September, 2014 at 11.00 a.m. at the GICEA, Nirman Bhavan, (Gajjar Hall), Nr. Law Garden, Ellisbridge, Ahmedabad - 380006 and at any adjournment thereof in respect of such resolutions as are indicated below :

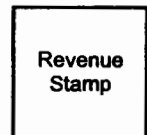
Resolution No.

- | | | | |
|----------|-----------|----------|----------|
| 1. _____ | 2. _____ | 3. _____ | 4. _____ |
| 5. _____ | 6. _____ | 7. _____ | 8. _____ |
| 9. _____ | 10. _____ | | |

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder(s) _____



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

TEAR HERE

SPEED POST

If undelivered please return to :

INDIA GELATINE & CHEMICALS LTD.

Regd. Off.: 703/704, "Shilp", 7th Floor, Near Municipal Market,
Sheth C. G. Road, Navrangpura, Ahmedabad - 380 009.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the report of Directors and the Auditors thereon.

ORDINARY BUSINESS :

2. To declare dividend on equity shares.

SPECIAL BUSINESS :

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

“RESOLVED THAT Mrs. Shefali V. Mirani (holding DIN: 03107547) appointed as Additional Director of the Company on 7th July, 2014 by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013 and Article No. 91 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of non-independent Additional Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

SPECIAL BUSINESS :

4. To appoint Mr. Jayprakash M. Tiwari (holding DIN: 06906943), as an Independent Director to fill the casual vacancy arising on account of the resignation of Director Mr. Kishor C. Dalal (holding DIN 00045147) who resigned with effect from 28th June, 2014 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT Mr. Jayprakash M. Tiwari (holding DIN: 06906943), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of 4 years, 9 months and 2 days ending on 31st March, 2019.”

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shridhar N. Pittie (holding DIN: 00562400), Independent Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019.”

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION :**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradip P. Madhavji (holding DIN: 00549826), Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March 2019.”

SPECIAL BUSINESS :

7. BORROWING LIMIT

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 Section 180(1)(c) of the Companies Act, 2013, and in substitution, modification of and in ratification of the earlier resolution(s) passed under the provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to borrow money from time to time up to a limit of not exceeding in the aggregate ₹ 100 Crores (Rupees One hundred crores only) over and above the aggregate of the paid up capital and free reserves of the Company."

SPECIAL BUSINESS :

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION :**

“RESOLVED THAT in accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, Messrs Mahendra N. Shah & Co., Chartered Accountants (Registration No. FRN 105775W) be and is hereby appointed for the term of 3 years from 2014-2015 to 2016-17.”

SPECIAL BUSINESS :

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION :**

“RESOLVED THAT in accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, appointment of B. F. Modi & Associates as Cost Auditors (Membership Number-M6955) on remuneration to be decided by Managing Director for conducting the audit of Cost Accounting Records relating to the chemical products manufactured by the Company for the year 1st April, 2014 to 31st March, 2015 be and is hereby approved and ratified.”

SPECIAL BUSINESS :

10. **RE-APPOINTMENT AND MODIFICATION IN REMUNERATION PAYABLE TO MANAGING DIRECTOR, MR. VIREN C. MIRANI**

To consider and if thought fit, to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION :**

“RESOLVED THAT in partial modification of the resolution passed by the Remuneration Committee on 30th May, 2013, by the Board of Directors on 30th May, 2013 and the Special Resolution passed by the members in the AGM held on 23rd August, 2013 and pursuant to provisions to Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and further subject to the approval of the Central Government, the consent of the members be and is hereby accorded to the modification in the terms of remuneration of Mr. V. C. Mirani, Managing Director of the Company, for the period from 1st July, 2014 to 31st March, 2017 within limits provided in Part II Section II (A) of Schedule-V of the Companies Act, 2013 as contained in the draft Supplementary Agreement placed before the meeting and initialed by the Chairman for identification with power to Board of Directors to alter or vary the said terms and conditions of modification in terms of remuneration, in such manner as the Board in their discretion deemed fit and as acceptable to Mr. V. C. Mirani.

RESOLVED FURTHER THAT a note be and is hereby taken of the modification in terms of remuneration payable as contained in the draft supplementary agreement with Mr. V. C. Mirani, Managing Director as approved by the Remuneration Committee and the Board of Director in their respective meeting held on 24th May, 2014.

RESOLVED FURTHER THAT required modification in Clause a relating to Salary, Clause b relating to Perquisites and Clause d relating to Commission shall be made.

RESOLVED FURTHER THAT except for the change in terms of remuneration in Clauses a, b & d all other terms and conditions and clauses of the original agreement entered into with Mr. V. C. Mirani, shall continue to remain in operation.

RESOLVED FURTHER THAT till the approval from the Central Government is received, Mr. V. C. Mirani, shall be paid a remuneration not exceeding ₹ 10,00,000 per month as permitted, duly approved by shareholders by passing Special Resolution and that after obtaining Central Government's approval, he will be paid a remuneration as proposed and approved and made effective from 1st July, 2014.

RESOLVED FURTHER THAT the terms and conditions of the remuneration of the Managing Director, may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee and the Board as it may in its discretion deem fit within the above limits and subject to limits laid down in Sections 196,197 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under and subject to the requisite approvals from Central Government or any other authority, if any, being obtained.”

ANNEXURE TO THE NOTICE

ITEM NO. 3:

The Board of Directors of the company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article No. 91 of the Articles of Association of the Company, Mrs. Shefali V. Mirani as an Additional Director with effect from 7th July, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Shefali V. Mirani would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Shefali V. Mirani for the office of Director of the Company.

Mrs. Shefali V. Mirani is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. She holds 2500 equity shares.

Mrs. Shefali V. Mirani may be deemed to be concerned or interested, financially or otherwise to the extent of the aforesaid shareholding in respect of her appointment as a director. Mr. Viren C. Mirani who is her relative and the Managing Director of the Company, Mr. Nayan C. Mirani who is her relative and non executive director of the company and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Mrs. Shefali V. Mirani.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the **Ordinary Resolution** set out as Item No. 3 of the notice for approval by the shareholders.

ITEM NO. 4, 5 & 6:

Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji, Non- executive Independent Directors of the Company, have wide experience in handling commercial and financial matters and have rich industry experience. Mr. Jayprakash M. Tiwari is a Practising Chartered Accountant, with vast experience in Audit, Taxation & Company Law matters etc. Mr. Shridhar N. Pittie hold the qualifications of B.A.(Hons), DERE, MBA (Finance) and is an industrialist with rich business experience in general. Mr. Pradip P. Madhavji holds the qualifications of B.A., B.Com & LLB and is associated with the tourism and hospitality industry.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed company. The company has received declarations from Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji are independent of the management.

It is proposed to appoint Mr. Jayprakash M. Tiwari for 4 years, 9 months & 2 days, ending on 31st March, 2019 and Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for five consecutive years for a term upto 31st March, 2019.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Jayprakash M. Tiwari, Mr. Shridhar N. Pittie & Mr. Pradip P. Madhavji for the office of Independent Director of the Company.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in these resolutions.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the **Ordinary Resolutions** set out as Item No. 4, 5 & 6 of the notice for approval by the shareholders.

ITEM NO. 7

Section 180(1)(c) of the Companies Act, 2013, requires the Board of Directors of the Company to obtain approval of the members to borrow monies (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purpose. At the Annual General Meeting held on 7th September, 1996, authority was accorded to the Board of Directors of your company to borrow for the purpose of business of the Company up to ₹ 100 Crores (Rupees One hundred crores only). However, the Ministry of Corporate Affairs issued circular dated 25th March, 2014 clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to the limit prescribed) and/or creation of security on assets of the Company will be sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. from 12th September, 2013. Our Company requires renewing the borrowing limit upto ₹ 100 Crores pursuant to Section 180 of the Companies Act, 2013.

Further in view of the changes that are taking place in the banking and financial sector, funds at cheaper rates of interest are available by way of term loans in the domestic and foreign currency. The company may resort to borrowing through debt instruments. Such cheaper loans can be used for the financial requirements of the company and also for replacing high cost working capital facilities / other loans which will reduce the interest cost to the Company. It is therefore necessary to renew such borrowing powers upto ₹100 Crores (Rupees One hundred crores only) which amount exceeds the limit of the aggregate of the paid of capital and free reserves of the Company.

None of the Directors, Key Managerial Personnel and relatives of Directors / Key Managerial Personnel of the Company is in any way concerned or interested in this Special Resolution

Your Directors recommend passing of the **Special Resolution**.

ITEM NO. 8

Messrs Mahendra N. Shah & Co., Chartered Accountants (Registration No. FRN 105775W) have been the Statutory Auditors of the Company since inception. In accordance with Section 139(1) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, Messrs Mahendra N. Shah & Co., are eligible to be appointed as the Statutory Auditors for a term of 3 years from 2014-15 to 2016-2017. Hence the resolution at item no. 9 of the Notice.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the **Ordinary Resolution** set out as Item No. 9 of the notice for approval by the shareholders.

ITEM NO.9

Messrs B. F. Modi & Associates, Cost Accountants, were the Cost Auditors of the Company. Central Government vide its order No. 52/26/CAB/2010 dated 06/11/2012 and G.S.R.No. 429(E) dt. 03.06.2011 in exercise of power vested in it under Section 148 of the Companies Act, 2013 directed the Cost Audit of the Company in respect of Di-calcium Phosphate (animal grade), Gelatine and Ossien falling under product group code No.1029, 2013 and 1008 respectively.

Further the Company has received the Certificate of Independence as required under para (e) of the General Circular No.15/2011 dated 11.04.2011 issued by the Cost Audit Branch of the Ministry of Corporate Affairs and the acceptance letter as per the provisions of Section 148(5) read with Section 139 of the Companies Act, 2013 from M/s. B. F. Modi & Associates, Cost Accountants.

In terms of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration for the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the shareholders.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the **Ordinary Resolution** set out as Item No. 10 of the notice for approval by the shareholders.

ITEM NO. 10

This item of the Notice relates to re-appointment and modification in remuneration payable to Managing Director, Mr. Viren C. Mirani. Mr. Viren C. Mirani has been re-appointed as Managing Director with effect from 1st April, 2014 for a period of 3 years pursuant to the resolution passed by the Remuneration Committee in its meeting held on 30th May, 2013, by the Board of Directors in its meeting held on 30th May, 2013 and by the members by way of Special Resolution in the Annual General Meeting held on 23rd August, 2013. The proposed resolution is related to payment of and increase of remuneration of Mr. Viren C. Mirani, Managing Director of the Company which is permissible under law, on the basis of the effective capital upto ₹ 10,00,000 by passing a Special Resolution in the General Meeting of the company, and for remuneration above ₹ 10,00,000, subject to the approval of the Central Government, for the period from 1st July, 2014 ending on 31st March, 2017. The new terms of modification of the remuneration payable to the Managing Director will be effective from 1st July, 2014 to 31st March, 2017. The new proposed remuneration is higher than the limits fixed by the Central Government under Section 197 read with Schedule-V of the Companies Act, 2013 and will be effective, subject to the approval of the Central Government and members in the 42nd Annual General Meeting of the Company. Thus on the basis of the effective capital, the company can now pay managerial remuneration upto ₹ 10,00,000 by passing a Special Resolution in the General Meeting of the company, and for remuneration above ₹ 10,00,000, subject to the approval of the Central Government.

The terms and conditions of re-appointment of Mr. Viren C. Mirani, as the Managing Director of the Company are as under:-

REMUNERATION:

a) Salary:

Monthly salary in the scale of ₹ 13,00,000 - 2,00,000 - 17,00,000 with effect from 01.07.2014 to 31.03.2017

b) Perquisites:

Maximum up to ₹ 2,00,000/- per month which shall include perquisites of Categories 'A', 'B' and 'C' as below :

CATEGORY 'A'

- i) House Rent Allowance of ₹ 95,000/- per month within the overall limit as approved by the Central Government.
- ii) He shall be paid Gas, Electricity, Water etc. of his residence which will be valued as per the Income Tax Rules, 1962.

iii) 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 therein from time to time.

iv) Leave Travel Concession:

For self and family once in a year incurred in accordance with the rules specified by the Company.

v) Club Fees:

Fee's of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

vi) Personal Accident Insurance:

Premium not to exceed ₹ 40,000/- per annum or such amount as may be modified under Income tax Act from time to time.

vii) Mediclaim Insurance:

Premium not to exceed ₹ 15,000/- per annum or such other modified amount as is exempt under Income Tax Act.

CATEGORY 'B'

i) Contribution to Provident Fund and Other Funds:

Contribution to the Provident Fund, Superannuation or Annuity Fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent these either singly or put together are not taxable under the Income-tax Act.

ii) Gratuity:

As per the rules not exceeding half a month's salary for each completed year of service, and shall not be included in the computation of ceiling on perquisites as specified above.

iii) 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 and shall not be included in the computation of the ceiling on perquisites, specified above.

CATEGORY 'C'

i) Provision of a Car and Telephone:

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 at the rate of ₹ 750/- per month and perks for the use of car for personal purposes shall be evaluated as per Income Tax Rules.

ii) Other Benefits:

Such other benefits, amenities and facilities as per the company rules.

c) 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.

d) COMMISSION:

In the event of there being sufficient and adequate profits worked out as per the provisions of Section 197 of the Companies Act, 2013, read with Companies (Meeting of Board & its Power) Rules, 2014 and within the individual limit of 5% 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.

The terms and conditions of the remuneration of the Managing Director, may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee and the Board as it may in its discretion deem fit within the above limits and subject to limits laid down in Sections 196,197 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under and subject to the requisite approvals from Central Government or any other authority, if any, being obtained.

Memorandum of Interest:

Mr. Viren C. Mirani, is interested in the above resolution to the extent of the remuneration received by him.

Mr. Nayan C. Mirani and Mrs. Shefali V. Mirani are concerned or interested in the above resolution, being relatives of Mr. Viren C. Mirani, none of the other Directors are concerned or interested in the above resolution.

Information required to be disclosed in terms of Notification No. GSR 36(E) dated 16th January, 2002 issued by Government of India under the provisions of Schedule V of the Companies Act, 2013.

I. GENERAL INFORMATION:

1. Nature of Industry : Manufacturers of Chemical products viz. Ossein, Gelatine and DCP
2. Date of commencement of Commercial Production : 08.02.1975
3. In case of new Companies expected date of commencement : N.A.
4. Financial Performance:

₹ lacs

Year	Capital	Reserves	Exports (FOB)	Total Sales & Other Income	Profit before Dep. & Tax	Cash Profit after tax	Net Profit (Loss)
2011-12	940.00	9,080.60	5,536.24	10,689.58	1,414.64	1,154.26	707.22
2012-13	940.00	9,890.86	6,053.97	12,010.91	2,189.39	1,627.96	1,140.19
2013-14	940.00	10,498.47	8,031.40	12,353.31	1,785.30	1,345.63	805.57

5. Export Performance and Net Foreign Exchange :

Year	Export Qty. in M.T.	FOB Value of Qty Sale (₹ lacs)
2011-12	2398.25	5,536.24
2012-13	2627.50	6,053.97
2013-14	2897.70	8,031.40

II. INFORMATION ABOUT THE APPOINTEE:

1) Background details:

Mr. Viren C. Mirani is a commerce graduate with 29 years of rich business experience both within and outside India. He possesses excellent business contacts and is very widely travelled. He is instrumental in soliciting technical collaboration for setting up Gelatine Plant in 1997. Under his able stewardship his family business of dealing in cotton and yarn earned a very good reputation and achieved an annual effected turnover in multi crores.

2) Past remuneration:

Remuneration during last 3 years :

<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
111.98	97.76	93.69

₹ lacs

3) Recognition or awards:

His untiring efforts as Executive Officer for 15 years, as Executive Director for 10 years and as Managing Director for 4 years has contributed substantially for the Company to earn various "Recognitions and Awards" for "Excellence" in Exports by Trade Bodies and Government of India.

The initial share capital of ₹ 25 lacs reached to ₹ 940 lacs by way of bonus and preferential issue and also earned ₹ 105 crores as "Reserves" for the shareholders during last 42 years, over and above payment of dividends.

4) Job profile/suitability:

The Managing Director looks after manufacturing, marketing, technical operations and over all administration of the Company. Because of his sharp business acumen and matured experience, the performance of the company has been noteworthy, which also speaks volumes of his ability. He has also been handling the most onerous job of marketing Ossein and Gelatine and while discharging these functions quite effectively he has shown signs of great acumenship and stewardship.

5) Proposed remuneration:

Salary in the scale of ₹ 13,00,000 – 2,00,000 – 17,00,000 per month, and Perks not to exceed ₹ 2,00,000/- per month in the event of inadequacy of profits. In the event of sufficient profits he may also be paid a commission not exceeding 5% of the net profits, as may be decided by the Board of Directors.

6) Comparative Remuneration profile with respect to industry, size of the company profile of the position, and person:

The main product of the industry is sold in the overseas market. Export requirements are always quite stringent. It requires constant "watch and vigil". "Norms and Parameters" of purchase and production are quite meticulous. Disciplined approach and compliances required for the staff need constant supervision and continuous accountability. Running this type of industry successfully and earning awards of "Excellence" year after year proves the performance of Managing Director. Remuneration sought to be paid to him is thus reasonable. It is also within the normal range of "Managerial Remuneration" paid to the young generation these days by performance oriented units. Mr. Viren C. Mirani alone has shouldered the entire responsibility and working for development of business after the sad demise of the Managing Director Mr. N. R. Mirani.

7) Pecuniary Relationship with Company:

The Managing Director's family is also the Promoter of the Company and as such holds substantial financial interest and continuing commercial affinity with the Company. He along with his family members holds 38.06% Equity Share Capital of the Company. Promoters group as a whole, hold around 63.06% in the equity of the Company.

III. OTHER INFORMATION:

1) Reasons for Loss/Inadequate Profits:

The Company is engaged in the manufacturing of Ossein, Gelatine and DCP. The raw material viz. Crushed Bones, being of natural origin, is at many times in short supply which adversely affects company's production. The company faces severe competition from various domestic companies and therefore focuses on exports market which has inherent foreign exchange risk. The company's raw material and finished products both have threats of potential diseases which has impact on finished goods market of the company's products. The company suffered heavy burden of power and fuel cost which is approximately 22% of sales in 2013-14. The CNG prices alone increased 21% during the last year. All the above adverse factors have resulted in inadequate profits of the company.

2) Steps taken and proposed to be taken for improvement:

Mr. Viren C. Mirani, the Managing Director has taken all possible steps to stabilize the Gelatine product by exploring various markets in Europe as well as South East Asia. He has also taken rigorous steps to promote the sale of Ossein to other foreign buyers and it has resulted into increase in exports during last 3 years as reported above.

3) Expected increase in productivity and profits in measurable terms:

Productivity and profits are likely to further improve well over a period of next 2-3 years. The Company has been able to manufacture Ossien and DCP at around 66 to 67% capacity during last 2 years.

IV. DISCLOSURES:

- 1) The remuneration package of Mr. Viren C. Mirani, Managing Director -
The details of remuneration are given in the annexure to the Notice.
- 2) (i) Element of remuneration package
(ii) Details of fixed components and performance linked incentive
(iii) Service contract, notice period severance fees etc.
(iv) Stock option details.

The above details are given along with details of his remuneration in the annexure to the Notice to the extent they are applicable.

The Managing Director, Mr. Viren C. Mirani, till the approval from the Central Government is received, shall be paid a remuneration not exceeding ₹ 10,00,000 per month as permitted, duly approved by shareholders by passing Special Resolution and that after obtaining Central Government's approval, he will be paid a remuneration as proposed and approved and made effective from 1st July, 2014.

Your directors recommend this resolution as they consider the same in the interest of the Company.

The above details may be treated as abstract of terms and conditions of the re-appointment of Managing Director, Mr. Viren C. Mirani as required in Section 102 of the Companies Act, 2013.

Mr. Viren C. Mirani, the Managing Director of the Company, is deemed as concerned and interested in the above resolution so far as it relates to his re-appointment and remuneration payable to him. Mr. Nayan C. Mirani and Mrs. Shefali V. Mirani, the Directors, being a relative of Mr. Viren C. Mirani are interested.

The Draft Agreement to be entered into with the Managing Director is open for inspection by Members on any working day between 3.00 p.m. to 5.00 p.m. at the Registered Office of the Company.