

**47<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-2019**



**INDIA GELATINE & CHEMICALS LTD.**



## **INDIA GELATINE & CHEMICALS LTD.**

### **CONTENTS**

				<b>Page No/s.</b>
Board of Directors	--	--	--	2
Financial Highlights	--	--	--	3
Notice	--	--	--	5-22
Directors' Report	--	--	--	23-51
Corporate Governance Report	--	--	--	52-66
CEO / CFO Certificate	--	--	--	67
Certificate of non-disqualification of Directors	--	--	--	68
Independent Auditors' Report	--	--	--	69-75
Balance Sheet	--	--	--	76
Statement of Profit and Loss	--	--	--	77
Cash Flow Statement	--	--	--	78
Statement of Change in Equity	--	--	--	79
Notes to the Financial Statements	--	--	--	80-111
Green Initiative	--	--	--	112
Proxy	--	--	--	113



## **INDIA GELATINE & CHEMICALS LTD.**

### **BOARD OF DIRECTORS**

**Chairman :**  
MR. PRADIP P. MADHAVJI

**Managing Director :**  
MR. VIREN C. MIRANI

**Executive Director :**  
MRS. SHEFALI V. MIRANI

**Other Directors :**  
MR. SHRIDHAR N. PITTIE  
MR. JAYPRAKASH M. TIWARI

**Chief Financial Officer :**  
MR. NISHANT P. ODHVANI

**Company Secretary :**  
MRS. TANAYA T. DARYANANI

**Statutory Auditors :**  
CHANDULAL M. SHAH & CO.  
Chartered Accountants  
601, "Samruddhi", Opp. Sakar III,  
Near Sattar Taluka Society,  
Ahmedabad - 380 014.  
E-mail : cmsah@csmshah.com

**Internal Auditors :**  
M. D. Kamdar & Co.,  
Chartered Accountants  
401, Rajhans CHS Ltd., Rokadia Lane,  
Borivali (W), Mumbai - 400 092

**Secretarial Auditors :**  
Samdani Shah & Kabra  
Company Secretaries  
808, Shiromani Complex, S.M. Road,  
Nehru Nagar, Ahmedabad - 380 015  
Email: pcschirag@gmail.com

**Bankers :**  
Union Bank of India, Mumbai  
HDFC Bank Ltd., Mumbai  
Bank of Maharashtra, Mumbai  
Citibank Ltd., Mumbai

**Head Office :**  
77/78, Mittal Chambers,  
228, Nariman Point, Mumbai - 400 021.  
Tel : +91-22-2202 0341 • Email : igcl@indiagelatine.com

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

**Registered Office :**  
703/704, 'Shilp', 7<sup>th</sup> Floor,  
Near Municipal Market, Sheth C.G. Road,  
Navrangpura, Ahmedabad - 380 009  
Tel : +91-79-2646 9514  
Website : www.indiagelatine.com  
Investors Relations e-mail id: investor@indiagelatine.com  
Corporate Identity Number (CIN): L99999GJ1973PLC002260

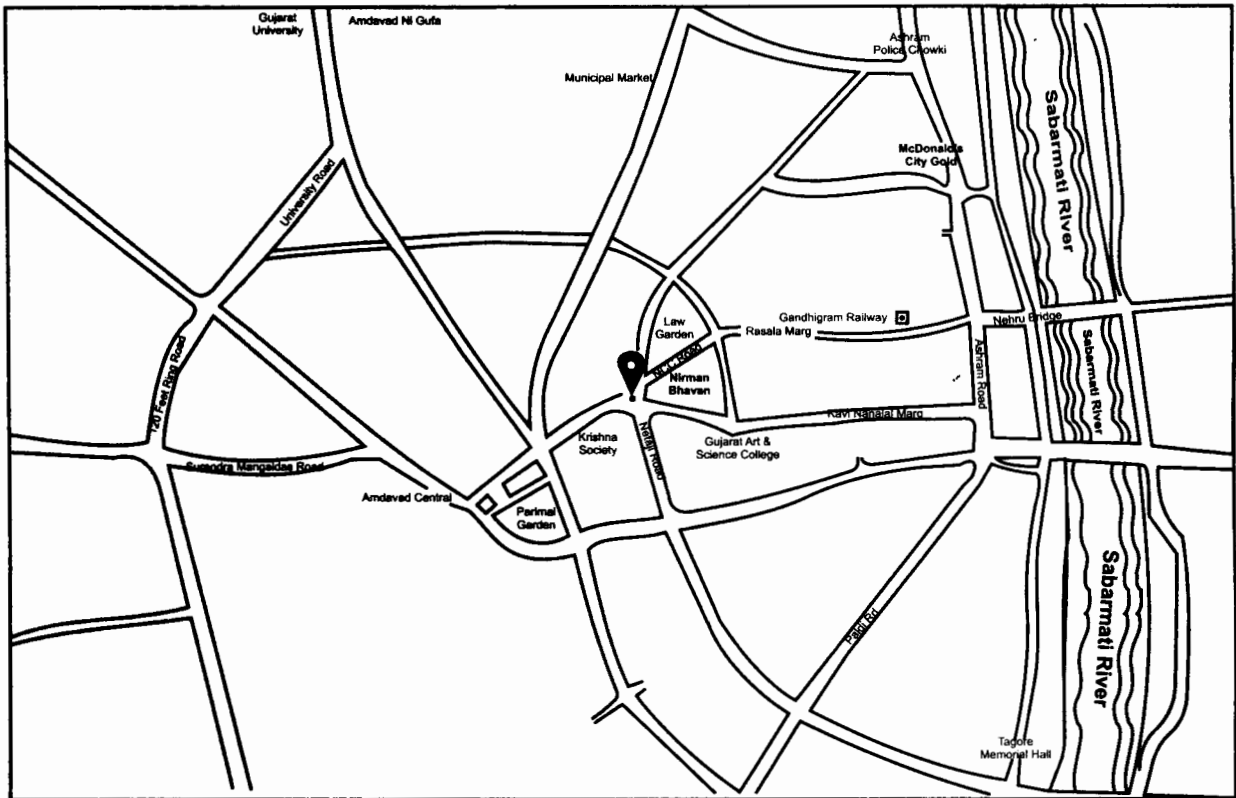
**Registrar & Share Transfer Agent :**  
LINK INTIME INDIA PRIVATE LIMITED  
C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai - 400 083  
Tel. No. : +91 22 4918 6000 Fax : +91 22 4918 6060  
e-mail: rnt.helpdesk@linkintime.co.in

**FINANCIAL HIGHLIGHTS**

₹ in Lakhs

Sr. No.		2016-2017	2017-2018	2018-2019
1	Shareholders' Funds	12,403	9,866	10,228
2	Loan Funds	Nil	Nil	Nil
3	Debt Equity Ratio	1 : 0.000	1 : 0.000	1 : 0.000
4	Sales & Other Income	8,148	10,242	11,557
5	Profits (Subject to Depreciation & Tax)	642	593	902
6	Net Profit Subject to Tax	301	270	568
7	Profit after Tax	317	226	575
8	Book Value of Share (₹)	131.95	139.10	144.21
9	Dividend %	9	20	35

## ROUTE MAP - VENUE OF AGM



Venue : GICEA, Nirman Bhavan (Gajjar Hall), Near Law Garden, Ahmedabad - 380 006.



## INDIA GELATINE & CHEMICALS LTD.

### NOTICE

NOTICE is hereby given that the 47<sup>th</sup> 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 Tuesday, 17<sup>th</sup> September, 2019 at 11.00 a.m. to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, the report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the Financial year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mr. Viren C. Mirani (DIN:00044901) who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a "Special Resolution".

#### **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act 2013, read with Schedule V 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 as per the recommendation of the Nomination & Remuneration Committee and Board, the consent of members be and is hereby accorded to the re-appointment of Mr. Viren C. Mirani as Managing Director of the Company for the period of 3 years with effect from 1<sup>st</sup> April, 2020, on the following terms and conditions including remuneration:

#### **REMUNERATION:**

##### **a) Salary**

Monthly salary in the scale of ₹ 21,00,000 - 2,00,000 - 25,00,000 with effect from 1<sup>st</sup> April, 2020.

##### **b) Perquisites**

Maximum up to ₹ 25,000/- per month which shall include perquisites of Categories 'A' and 'B' as below:

##### **CATEGORY 'A'**

##### **i. Medical Reimbursement:**

Expenses incurred for self and his family. He shall also be entitled to the benefit of Medical Treatment referred to in proviso to Section 17(2) of the Income Tax Act, 1961 or to such modifications as may be made therein from time to time.

##### **ii. Club Fees:**

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

##### **iii. Personal Accident Insurance:**

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

##### **iv. Mediclaim Insurance:**

Premium not to exceed ₹ 25,000/- per annum or such other modified amount as is exempt under Income Tax Act.



## **INDIA GELATINE & CHEMICALS LTD.**

### **CATEGORY 'B'**

#### **i. Provision of a Car and Telephone:**

The Company shall provide 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.

### **CATEGORY 'C'**

#### **i. Contribution to Provident Fund & 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.

#### **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 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 and Schedule V of the Companies Act, 2013 and Rules framed there under and subject to the requisite approvals from the members or any other authority, if any, being obtained.

RESOLVED FURTHER THAT Mr. Viren C. Mirani, Managing Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, is available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board Of Directors of the company on recommendation from Nomination & Remuneration Committee of the Board be and is hereby authorized and empowered to approve annual increments and to make such improvements in the terms of remuneration to Mr. Viren C Mirani, as may be permissible under Schedule V of the Companies Act, 2013 (as may be amended from time to time) or by way of any government guidelines or instructions, the intention being that no further approval of the company would be required so long as remuneration of the Managing Director is not in



## INDIA GELATINE & CHEMICALS LTD.

excess of maximum permissible limits under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute an agreement with Mr. Viren C. Mirani, as Managing Director and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to accept any modification in the terms and conditions as may be approved by the shareholders and as acceptable to Mr. Viren C. Mirani and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”.

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a “Special Resolution”.

### **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any of the Companies Act 2013, read with Schedule V 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 as per the recommendation of the Nomination and Remuneration Committee and the Board, the consent of members be and is hereby accorded to the re-appointment of Mrs. Shefali Viren Mirani as Executive Director of the Company for the period of 3 years with effect from 1<sup>st</sup> April, 2020, on the following terms and conditions including remuneration:

### **REMUNERATION:**

#### **a) Salary**

Monthly salary of ₹ 10,00,000/- with effect from 1<sup>st</sup> April, 2020.

#### **b) Perquisites**

Maximum up to ₹ 25,000/- per month which shall include perquisites of Categories ‘A’ and ‘B’ as below:

### **CATEGORY ‘A’**

#### **i. Medical Reimbursement:**

Expenses incurred for self and her family. She 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.

#### **ii. Club Fees:**

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

#### **iii. Personal Accident Insurance:**

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

#### **iv. Mediclaim Insurance:**

Premium not to exceed ₹ 25,000/- per annum or such other modified amount as is exempt under Income Tax Act.

### **CATEGORY ‘B’**

#### **i. Provision of a Car and Telephone:**

The Company shall provide Car for use on Company's business and also for personal purposes and telephone at the residence of the Executive Director. The Executive Director shall be billed by the Company for personal long distance calls on telephone 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.





## **INDIA GELATINE & CHEMICALS LTD.**

### **ii. Other Benefits:**

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

### **CATEGORY 'C'**

#### **i. Contribution to Provident Fund & 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 Executive Director shall be entitled to fully paid leave as per the Company's Rules. Encashment of Leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites, specified above.

#### **c) Minimum Remuneration :**

In the event of loss or inadequacy of profits, the Executive Director shall be entitled to receive the above remuneration, perquisites and benefits as Minimum Remuneration.

#### **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 and within the individual limit of 5% of such net profits, the Executive Director could also be paid remuneration by way of commission on such net profits as may be decided by the Board and agreed upon by the Executive Director on ascertainment of the net profits at the close of each year over and above the remuneration referred to in the preceding para and that such remuneration shall be deemed to accrue at the close of the year.

The terms and conditions of the remuneration of the Executive 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 and Schedule V of the Companies Act, 2013 and Rules framed there under and subject to the requisite approvals from the members or any other authority, if any, being obtained.

RESOLVED FURTHER THAT Mrs. Shefali Viren Mirani, Executive Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and loading expenses incurred by her in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, is available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company on recommendation from Nomination & Remuneration Committee of the Board be and is hereby authorized and empowered to approve annual increments and to make such improvements in the terms of remuneration to Mrs. Shefali Viren Mirani, as may be permissible under Schedule V of the Companies Act, 2013 (as may be amended from time to time) or by way of any government guidelines or instructions, the intention being that no further approval of the company would be required so long as remuneration of the Executive Director is not in excess of maximum permissible limits under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute an agreement with Mrs. Shefali Viren Mirani, as the Executive Director and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to accept any modification in the terms and conditions as may be approved by the shareholders



## INDIA GELATINE & CHEMICALS LTD.

and as acceptable to Mrs. Shefali Viren Mirani and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. In case the Special Resolution for the re-appointment of Mr. Viren C. Mirani as per Agenda Item No. 4 above is not passed, to consider and if thought fit, to pass with or without modification(s) the following resolution as an "Ordinary Resolution".

### ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act 2013, read with Schedule V 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 as per the recommendation of the Nomination & Remuneration Committee and the Board, the consent of members be and is hereby accorded to the re-appointment of Mr. Viren C. Mirani as Managing Director of the Company for the period of 3 years with effect from 1<sup>st</sup> April, 2020, on a monthly remuneration upto ₹ 7,00,000/- on the following terms and conditions including remuneration:

### REMUNERATION:

#### a) Salary

Monthly salary of ₹ 6,75,000/- with effect from 1<sup>st</sup> April, 2020.

#### b) Perquisites

Maximum up to ₹ 25,000/- per month which shall include perquisites of Categories 'A' and 'B' as below:

### CATEGORY 'A'

#### i. Medical Reimbursement:

Expenses incurred for self and his family. He shall also be entitled to the benefit of Medical Treatment referred to in Proviso to Section 17(2) of the Income Tax Act, 1961 or to such modifications as may be made therein from time to time.

#### ii. Club Fees:

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

#### iii. Personal Accident Insurance:

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

#### iv. Mediclaim Insurance:

Premium not to exceed ₹ 25,000/- per annum or such other modified amount as is exempt under Income Tax Act.

### CATEGORY 'B'

#### i. Provision of a Car and Telephone:

The Company shall provide 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.