






## Form A

### Format of covering letter of the annual audit report to be filed with the stock exchange

1. Name of the company	NARMADA GELATINES LTD.
2. Annual financial statement for the year ended	31 <sup>ST</sup> MARCH 2015
3. Type of audit observation	UN-QUALIFIED/MATTER OF EMPHASIS
4. Frequency of observation	WHETHER APPEARED FIRST TIME/REPETITIVE/SINCE HOW LONG PERIOD
5. To be signed by	
<ul style="list-style-type: none"><li>• CEO/Managing Director</li></ul>	For Narmada Gelatines Limited  (ASHOK KAPUR) Whole Time Director
<ul style="list-style-type: none"><li>• CFO</li></ul>	For Narmada Gelatines Ltd.  Priya Gupta Chief Financial Officer
<ul style="list-style-type: none"><li>• Auditor of the company</li></ul>	 
<ul style="list-style-type: none"><li>• Audit committee Chairman</li></ul>	



# Narmada Gelatines Limited



**ANNUAL REPORT 2014-2015**

# KEY PERFORMANCE INDICATORS

## PROFIT AND LOSS METRICS

### Total Revenue (Rs. Crores)

14-15	144.87
13-14	140.46
12-13	131.01
11-12	113.14
10-11	96.48

### Profit After Tax (Rs. Crores)

14-15	15.50
13-14	16.26
12-13	15.40
11-12	11.06
10-11	9.47

### Earning Per Share (Rs.)

14-15	25.63*
13-14	40.32
12-13	38.18
11-12	27.43
10-11	23.48

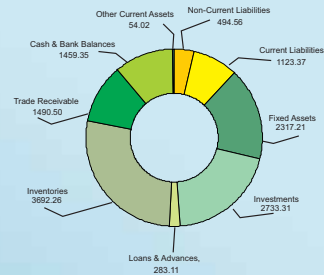
\* after bonus issue of 1:2

## BALANCE SHEET METRICS

### Networth (Rs. Crores)

14-15	104.12
13-14	91.70
12-13	77.84
11-12	64.84
10-11	56.47

### Balance Sheet Components (Rs lacs)



### Book Value Per Share (Rs.)

14-15	172.11*
13-14	227.37
12-13	193.00
11-12	160.77
10-11	140.02

\* after bonus issue of 1:2

## SHAREHOLDER METRICS

### Market Capitalisation (Rs crores)

14-15	106.05
13-14	59.79
12-13	54.63
11-12	38.80
10-11	33.68

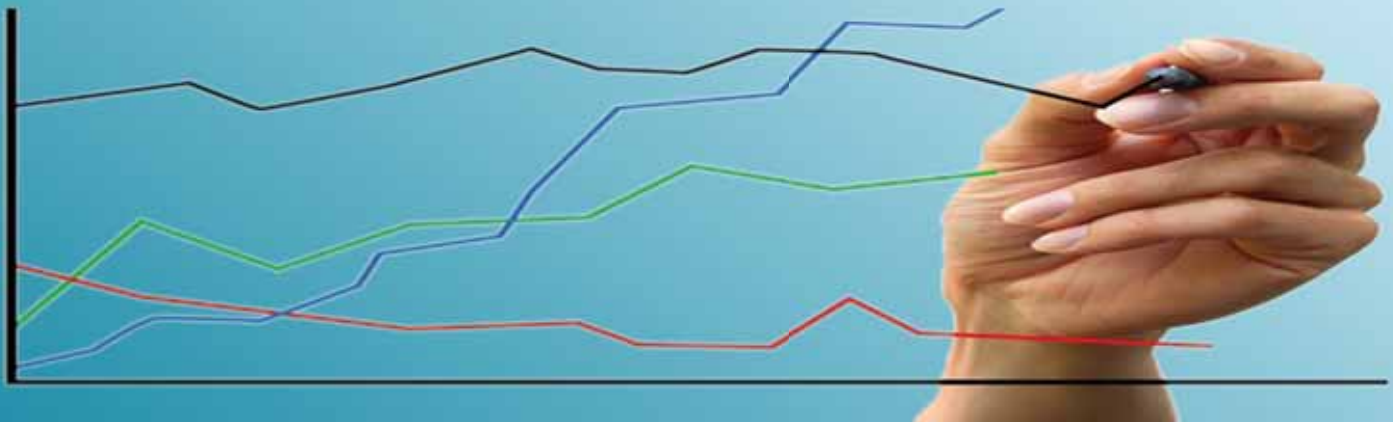
### Dividend per share (Rs.)

14-15	3.50* (Proposed)
13-14	5.00
12-13	5.00
11-12	4.50
10-11	4.00

\* after bonus issue of 1:2

### Price Earnings (PE) Ratio

14-15	6.84
13-14	3.68
12-13	3.55
11-12	3.51
10-11	3.56





**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

Justice Gulab Gupta  
 Mr. Deepak Chaudhuri  
 Mr. Mohan Chandra Pant  
 Mr. Sanjeev Jain  
 Mr. Ravindra K. Raje  
 Mrs. Drushti R. Desai  
 Mr. Ashok K. Kapur – Whole Time Director

**BOARD COMMITTEES**

**Audit Committee**

Justice Gulab Gupta - Chairman  
 Mr. Deepak Chaudhuri  
 Mr. Mohan Chandra Pant  
 Mrs. Drushti R Desai

**Nomination & Remuneration Committee**

Mr. Deepak Chaudhuri - Chairman  
 Justice Gulab Gupta  
 Mr. Sanjeev Jain

**Stakeholders' Relationship Committee**

Mr. Mohan Chandra Pant - Chairman  
 Mr. Ravindra K. Raje  
 Mr. Ashok K. Kapur

**Corporate Social Responsibility Committee**

Mr. Mohan Chandra Pant - Chairman  
 Mr. Sanjeev Jain  
 Mr. Ashok K. Kapur

**Risk Management Committee**

Mr. Ravindra K Raje  
 Mr. Ashok K Kapur  
 Mr. Sudhir Srivastava – Factory Manager  
 Mr. S.Bhattacharya, Head - Purchase

**Complaints Committee as per Sexual Harassment policy**

Mr. Ashok K Kapur - Chairman  
 Mrs. Drushti R Desai  
 Mr. S K Srivastava, Factory Manager  
 Mr. S. Bhattacharya, Head - Purchase

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Mahesh Verma

**CHIEF FINANCIAL OFFICER**

Ms. Priya Gupta

**AUDITORS**

T.R. Chadha & Co.  
 Mumbai

**BANKERS**

Allahabad Bank  
 IDBI Bank Ltd.  
 Union Bank of India  
 ICICI Bank Ltd.  
 State Bank of India  
 HDFC Bank Ltd.  
 Axis Bank Ltd.

**REGISTERED OFFICE**

CARAVS", Room No. 28  
 15, Civil Lines, Jabalpur (M.P.)

**FACTORY**

Meerganj, Bheraghat Road  
 Jabalpur (M.P.)

**REGISTRARS & TRANSFER AGENT**

CB Management Services Pvt. Ltd.  
 P-22, Bondel Road,  
 Kolkata -700019

**LISTED WITH**

Bombay Stock Exchange Ltd.

**DEPOSITORIES**

National Securities Depository Limited  
 Central Depository Services (I) Limited

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## BOARD'S REPORT

The Directors have pleasure in presenting the 54<sup>th</sup> Annual Report of your Company and the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2015.

Financial Highlights	₹ Lacs	
	Year ended 31st March 2015	Year ended 31st March 2014
Profit before Tax	2340.40	2485.58
Provision for Taxation:		
Current	767.65	740.00
Deferred	22.28	789.93
Profit after Tax	1550.47	1626.41
Balance brought forward from last year	6130.80	4902.95
Amount available for appropriation	7681.27	6529.36
Less: Appropriations		
Adjustment to Fixed Assets	27.82	-
Transfer to General Reserve	155.04	162.64
Proposed Dividend on Equity Shares	211.74	201.65
Tax on proposed dividends	42.33	34.27
Balance carried forward	7244.34	6130.80

### Economy Overview

Indian economic growth in 2014 rose to 5.2% from 4.7% last year as a result of the improved macro-economic situation. Falling oil prices, lower food and commodity prices and proactive measures taken by the Government helped in controlling inflation in 2014. The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2015. The medium to long term growth prospects look positive in view of the Government's determination to bring in reforms. For the year 2015, the economy is expected to grow at a higher rate than in 2014 and the long term prospect are optimistic.

### Operating Performance

During the year under review, your company recorded a moderate growth of 3% in Sales while the Profit before tax marginally declined to ₹ 23.40 crores as compared to ₹ 24.85 crores in 2013-14.

The industry witnessed an upward trend in raw material input prices affecting margin. The prices of Di-calcium phosphate, a by-product also remained soft throughout the year.

### Share Capital

During the year, Bonus Equity Shares in the ratio of 1:2 (i.e. one bonus equity share of ₹ 10/- each for every two fully paid up equity shares of ₹ 10/- each held), were allotted to the shareholders, resulting in an increase in the paid-up Equity Share Capital of the Company from ₹ 4.03 crs to ₹ 6.05 crs.

### Dividends

Your Directors recommend a dividend of ₹ 3.50 per Equity Share (last year ₹ 5/- per Equity Share) for the financial year ended March 31, 2015 on the enhanced Equity Share Capital.

The total outflow on account of the proposed dividend including dividend distribution tax will be ₹ 254.07 lacs, (previous year ₹ 235.92 lacs).

The dividend on equity shares, if approved at the ensuing Annual General Meeting, will be paid to Members whose names appear in the Register of Members as on 10<sup>th</sup> September, 2015 and to Members whose names appear on that date as Beneficial Owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### Transfer to Reserves

It is proposed to transfer an amount of ₹ 155.04 lacs (being 10% of the net profits for the year) to the General Reserve.

### Industry Structure and Developments

Gelatin finds demand in end-user industries such as food and beverages, pharmaceutical and cosmetics. Growing health concerns and the ageing population also act as major factors driving this market. Globally, 26% of gelatin is bovine bone based and is used in pharmaceuticals. The rapid growth of the pharmaceutical industry in India and across the world has resulted in stable demand for gelatin in domestic market. The demand for exports was also stable during the period.

However, cultural and religious barriers in India and across the world on the use of gelatin derived from animals is a factor which inhibits the overall market growth. Moreover, growing regulatory issues primarily in the food industry are also challenges for the players operating in this market.

### Opportunities and Threats

India continues to be categorised as "Negligible Risk" as far as Bovine Spongiform Encephalopathy (BSE) categorisation is concerned.

The level of awareness about environmental hazards has increased among the general public and the state authorities are upgrading pollution control norms regularly. The industry is now required to address the issue of environment with more commitment. Your company continues to take all necessary steps to meet these challenges effectively.

The availability of good quality raw material as also the steep rise in prices are areas of constant concern and could affect the future profitability of the Company. The import of poor quality of gelatin into India is a matter of health concern and affects proper price realisation for the gelatin produced by the domestic manufacturers. The industry as a whole has approached the government to initiate action against the import of poor quality gelatin.

### Outlook

While your company is taking all actions to improve product mix, yield and productivity along with cost reduction measures, the shortage of raw material due to lower meat exports and strict implementation of ban on cow slaughtering in some states of the country is resulting in an unprecedented increase in price of raw materials and this is likely to have an adverse effect on the performance of your company, at least in the short term.



## Risks and Concerns

Rising raw material costs, fuel and electricity prices are likely to impact margins.

Tightening of pollution control norms by the statutory authorities can affect output and result in higher cost of production.

The steady economic development in China and India is expected to drive the market for Asia-Pacific. The imports from China at prices well below the domestic price can have a major effect on the margins in the near future. However, due to continuous efforts of the gelatin industry and actions taken by the authorities, the imports of poor quality gelatine have seen a reduction.

## Segment-wise or product-wise performance

The company is engaged in the manufacture and sale of gelatin and ossein and the by-product di-calcium phosphate which broadly form part of one product group and hence a single business segment. However, based on geographical spread, reportable segments have been identified as exports sales and domestic sales. The segment revenue information is given separately in Notes on Accounts under the disclosure as required under Accounting Standard (AS 17) - Segment Reporting and forms part of the Directors' Report.

## Internal Control System

The Company has an adequate internal control system covering supervision, checks and balances, policies, procedures and internal audit which ensures that company assets are safeguarded and protected and that transactions are authorised, recorded and reported correctly. The system is reviewed and updated on an ongoing basis.

The Company's internal control system comprises audit and compliance of observations made by the Internal Auditor.

The Internal Auditor independently evaluates the adequacy of internal controls and concurrently audits the majority of the transactions in value terms. Independence of audit and compliance is ensured by direct reporting of Internal Auditor to the Audit Committee.

## Fixed Deposits

During the year under review, the Company has not accepted any fixed deposits from the public, and as on March 31, 2015, the Company had no unclaimed deposits or interest thereon due to any depositor.

## Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## Corporate Social Responsibility (CSR)

The Company has Corporate Social Responsibility (CSR) Committee. The Committee recommends to the Board the activities to be undertaken by the Company for approval. As part of the initiatives, the Company has undertaken (CSR) projects in the areas of environment, education, livelihood, health, water, sanitation and rural development. These

projects are largely in accordance with Schedule VII of the Companies Act, 2013. During the year, the Company has spent ₹ 41.75 lacs on CSR activities, which was around 2% of the average net profits of the last three financial years. The Annual Report on CSR activities is annexed herewith as Annexure - I.

## Risk Management

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. During the year Risk Management Committee has been constituted which is entrusted with the responsibility to assist the Board in overseeing the risks associated with the business and risk mitigating measures to be taken by the Company. The details of the Risk Management Committee, its terms of reference, key business risks identified and mitigation plans are set out in the Corporate Governance Report.

## Vigil Mechanism

The Company has a vigil mechanism in the form of a Whistle Blower Policy to deal with instances of fraud and mismanagement, the details of which are explained in the Corporate Governance Report and also posted on the website of the Company.

## Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any subsidiary, joint ventures or any associate companies.

## Directors and Key Managerial Personnel

During the year under review, the Members had approved the appointment of Justice Gulab Gupta, Mr. Mohan C. Pant and Mr. Deepak Chaudhari as Independent Directors, for a period of two years i.e. upto the conclusion of 55<sup>th</sup> Annual General Meeting of the Company and the appointment of Mrs Drushti R Desai as a Director liable to retire by rotation.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as laid down under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with the provisions of Section 152 of the Companies Act, 2013, and Article 115 of the Articles of Association of the Company, Mr. Sanjeev Jain retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment.

All the appointments of the Directors of the Company are in compliance with the provisions of Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Attention of Shareholders is invited to the relevant items of the Notice of the Annual General Meeting and the Notes thereto.





Brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/ chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section on Corporate Governance in this Annual Report.

During the year under review, Ms. Priya Gupta, was designated as Chief Financial Officer of the Company.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees in addition the Board has also carried out a review of the Board's performance as the whole. The manner in which the evaluation has been carried out is covered in the Corporate Governance Report.

**Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**Meetings**

During the year five Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013.

**Directors' Responsibility Statement**

In accordance with Section 134(5) of the Companies Act, 2013, the Directors' hereby confirm that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual financial statements have been prepared on a going concern basis;
- e. proper internal financial controls have been followed and that such financial controls are adequate and are operating effectively.

- f. proper systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

**Related Party Transactions**

The Company has a policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is also posted on the Company's website. All Related Party Transactions are placed before the Audit Committee and also the Board for approval.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in the financial statements. The transactions with related parties are set out in the Notes to Financial Statements forming part of the Annual Report.

None of the Directors has any pecuniary relationships or transactions with the Company or vice versa.

**Statutory Auditors and Audit Report**

M/s T.R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the said Act.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice to undertake the Secretarial Audit of the Company. Secretarial Audit Report is annexed herewith as Annexure - II.

**Transfer of Unpaid and Unclaimed amounts to IEPF**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125, of the said Act.



During the financial year 2014-15 the Company has transferred to the Investor Education and Protection Fund the unclaimed Dividend on Equity Shares amounting to ₹ 52,275 and on 9% Cumulative Redeemable Preference Shares amounting to ₹ 1,83,538 for the year 2006-07.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rule, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22<sup>nd</sup> September, 2014 (date of last Annual General Meeting) on the Ministry of Corporate Affairs' website.

#### **Enhancing Shareholders' Value**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

#### **Corporate Governance**

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices.

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Annual Report. The Whole-Time Director's declaration regarding compliance with the Company's Code of Business Conduct and Ethics for Directors and Management Personnel forms part of Report on Corporate Governance. The requisite certificate from M/s T.R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the aforesaid Clause 49, is annexed to this Report.

#### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed to this Report as Annexure - III.

#### **Extract of Annual Return**

The details forming part of the extract of the Annual Return is annexed to this Report as Annexure - IV.

#### **Particulars of Employees**

None of the employees of the Company is in receipt of remuneration exceeding the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details in respect of directors and employees of the Company as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure - V.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The company has in place a suitable Policy in line with the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been setup to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint was received by the company during the financial year ended 31<sup>st</sup> March, 2015.

#### **Industrial Relations**

Industrial relations remained cordial throughout the year. Your Directors place on record their sincere appreciation of the significant contributions made and the continued support extended by all employees at all levels to the Company's operations during the year.

#### **Acknowledgement**

Your Directors take this opportunity to thank the Central and the State Governments, statutory authorities, bankers, vendors and business associates and the shareholders for their continued interest and valued support.

For and on behalf of the Board

Ravindra K Raje  
Director

Ashok K Kapur  
Wholetime Director

Place: Jabalpur  
Date: 27<sup>th</sup> May, 2015





## Annexure - I to Boards' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company believes in actively contributing to the social and economic development of the communities in which it operates and in doing so, build a better, sustainable way of life for the weaker sections of the society and raise the country's human development index. Social welfare and community development is therefore at the core of the Company's Corporate Social Responsibility philosophy and this continues to be a priority.

The Company's contributions to the community are in the areas of health, education, infrastructure development and contributions to other social development organisations. The Company also supports and partners with several NGOs in community development and health initiatives. Some of the social activities carried out by the Company are as under:

#### **Environment**

The Company remains fully compliant with various environmental protection, health and safety laws and regulations. The Company has instituted a management system, which ensures full compliance to all applicable legal requirements.

Keeping harmony with nature as a guiding principle, plantation of trees, maintenance of green belts and gardens in and around the manufacturing unit, mangrove plantation in the factory premises and surrounding areas, vermi-compost of waste and its use as manure, recycling of treated water in cooling water system and in horticulture activities, etc. are regular activities undertaken by the Company.

The Company and its employees regularly promote and participate in projects for cleanliness of river Narmada through cleaning banks, putting up flex, banners and wall painting messages. The company sponsored various programmes for environment protection like Marathon "Run Jabalpur Run" for environment protection and 'Narmada Mahotsava', 'Narmada Jayanti'.

#### **Social Responsibility and Community Development**

The Company arranges for supply of drinking water in the surrounding villages and has for the purpose, arranged for installed drinking water connections. In addition, the Company provides drinking water at various locations around the factory during the summer season.

#### **Sports**

The company sponsored various sports activities and games organized by Local gram panchyat, and at the state level.

#### **Education**

Education is one of the focus areas of social development for the Company and supports academics at all levels. The Company provides assistance to schools such as **Parivartan**, Sadhu Vaswani Mission and **Ekal Vidyalaya** (Friends of Tribal Society). The Ekal Vidyalaya movement aims to help eradicate illiteracy from rural and tribal India. The Company also provides scholarships to poor girls of the locality and educational support to various poor children through contributions to Charitable Institution and **Hamara Jabalpur** for "**Balika Prothsahan Yojana**". The Company has also aided the repairs and maintenance of schools located in the nearby villages. The Company provided financial help to meritorious but financially challenged students.

#### **Religious and cultural programs**

The Company contributes to various local religious and cultural programmes. During the traditional Navratri Garba festival, the Company contributed to various programs. Financial assistance and support was given to community festivals. The company also helps in the marriage of poor women.

#### **Community Health Care**

The Company conducts regular health checks and medical diagnostic camps. Cataract cases are operated free of cost for villagers of Sahajpur and Chargawan. The Company distributes medicines and spectacles to large number of patients in the neighbouring villages of Jabalpur and also arranges for sprinkling of medicines and insecticides in the surrounding villages to prevent diseases and to promote cleanliness.

#### **Swachh Bharat Mission**

To promote the national mission on cleanliness "Swachh Bharat Mission" your company has contributed towards construction of toilets in the near by village / girls schools.

**Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

#### **Corporate Social Responsibility (CSR) Policy**

The Company believes that an organisation's true worth lies beyond its business, and is best reflected by the service it renders to the community and the society. An organisation has a responsibility to sub-serve larger societal goals as they have the ability



to contribute for the welfare of the society. Social welfare and community development is therefore at the core of the Company's Corporate Social Responsibility philosophy.

The main objective of this CSR Policy is to lay down guidelines for the companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

The Company shall constantly strive to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It shall also pursue initiatives related to quality management, environment preservation and social awareness, in the areas as detailed below:

- (i) Promoting health care including preventive healthcare and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of soil, air and water;
- (iv) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (v) Rural development projects;
- (vi) Promote and participate in projects for cleanliness of Narmada river;
- (vii) Promote education of girl child and the underprivileged by providing academic support, assistance to schools, sponsorships for eradicating illiteracy;
- (viii) Emphasis on regular health checks and medical aid/ health care facilities with special focus for the mother and child as well as the old aged persons of surroundings and making available of safe drinking water;
- (ix) Promote and sponsor various sports activities and games organized by local gram panchayat;
- (x) Promote and support local religious and cultural programmes.
- (xi) Other areas as may be notified by the Government from time to time.

**Weblink:** <http://www.narmadagelatines.com>

**Composition of the CSR Committee:**

Mr Mohan C Pant, Chairman - Independent Director

Mr Sanjeev Jain - Director

Mr Ashok K Kapur - Wholetime Director

**Average net profit of the Company for last three financial years:** ₹ 2082.68 lacs

**Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹ 41.65 lacs towards CSR.

**Details of CSR spend for the financial year:**

- a. **Total amount spent for the financial year:** ₹ 41.75 lacs
- b. **Amount unspent, if any:** Nil
- c. **Manner in which the amount was spent during the financial year is detailed below:**

(₹ lacs)

Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Program-wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
Educational Scholarship, Book Provisioning and providing educational aid to Govt. / other Schools	Literacy	Jabalpur (M.P.) and Pune (Maharashtra)	12.75	15.26	15.26	15.26



Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Program-wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
Medical and Health Camps, Promotion of health care activities etc.	Healthcare	Jabalpur and surrounding villages	6.05	4.70	4.70	4.70
Providing safe drinking water to community, supporting in toilet construction, supporting in construction of drainage	Sanitation Drinking Water	Jabalpur	17.68	15.50	15.50	15.50
Tree plantation, and maintenance, Promotion of river cleanliness and protection	Environment Protection	Bheraghat, Jabalpur	4.40	4.07	4.07	4.07
Promotion of Sports	Promotion of sports	Jabalpur	1.25	1.30	1.30	1.30
Promotion of Child care and elder people	Child and Old age people care	Jabalpur	0.60	0.60	0.60	0.60
Promotion of Cultural activities	Cultural Activities	Jabalpur	0.32	0.32	0.32	0.32
<b>Total</b>			<b>43.05</b>	<b>41.75</b>	<b>41.75</b>	<b>41.75</b>

\*Details of the implementing agencies –

1. Matrachaya Seva Bharti, Jabalpur
2. Soham Welfare Society
3. Maharashi Vidya Mandir
4. Friends of Tribal Society
5. M.P. Amateur Boxing Association
6. Little Sisters of the Poor
7. Sadhu Vaswani Mission

**Responsibility Statement**

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.’

**Sd/-**

**Mohan C Pant**  
 Chairman of CSR Committee  
 27<sup>th</sup> May, 2015  
 Jabalpur

**Sd/-**

**Ashok K Kapur**  
 Wholetime Director



**Annexure - II to Board's Report**  
**SECRETARIAL AUDIT REPORT**  
**FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

NARMADA GELATINES LIMITED  
'CARAVS', Room No. 28,  
15 Civil Lines,  
Jabalpur(M.P.)  
Pin – 482001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Narmada Gelatines Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Narmada Gelatines Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions as may be applicable to the company of :

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (6) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules, 2011;
- (7) Factories Act, 1948 and Rules made thereunder;
- (8) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;
- (9) Maternity Benefits Act, 1961
- (10) Minimum Wages Act, 1948



- (11) Payment of Bonus Act, 1965
- (12) Payment of Gratuity Act, 1972
- (13) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
- (14) Payment of Wages Act, 1936 and other applicable labour laws

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Resolutions passed by the Board of Directors and Committees thereof had no dissenting views which were required to be captured and minuted.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the company has issued Bonus Shares and duly complied with the provisions of the Act, and requirement of the SEBI (ICDR) Regulations, 2009.

**This Report is to be read** with my letter of even date is annexed as Annexure "A" and forms an integral part of this report.

Dr. Asim Kumar Chattopadhyay  
Practising Company Secretary  
C P No.: 880 (Whole Time)  
FCS No.: 2303

Jabalpur  
17.04.2015



**ANNEXURE "A"**

**(TO THE SECRETARIAL AUDIT REPORT OF NARMADA GELATINE LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015)**

To,

The Members

Narmada Gelatines Limited  
'CARAVS', Room No. 28,  
15 Civil Lines,  
Jabalpur(M.P.)  
Pin – 482001

My Report for the financial year ended 31<sup>st</sup> March 2015 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature : Sd/-  
Name : Dr. Asim Kumar Chattopadhyay  
Designation : Practising Company Secretary  
Certificate of Practice No. : 880  
Date : April 17, 2015





## Annexure - III to Boards' Report

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

### A. RESEARCH & DEVELOPMENT

#### 1. Specific Area in which R&D carried out by the Company :

- (a) Manufacture of Protein Hydrolysate.
- (b) Enzymatic treatment for maturation of ossein.

#### 2. Benefits derived as a result of above R & D :

- (a) Expected to improve price realization of gelatin.
- (b) Improved product mix and less maturation time.

#### 3. Future Plan of Action :

Experiments in the laboratory are continuing; on successful outcome of laboratory test results, plant trials will be conducted followed by test marketing.

#### 4. Expenditure on R&D

Recurring Expenditure - ₹ 23.85 lacs; Capital Expenditure – ₹ 1.85 lacs

Total R&D Expenditure as a % of Total Turnover: 0.19%

### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

#### 1. Efforts in brief made towards technology absorption, adoption and innovation:

- (a) Disposal of lime waste in accordance with environmental norms.
- (b) Efficient drying of by-product.
- (c) The various initiatives taken such as the usage of biomass as alternate fuels and optimization of fuel mix, has limited the power and fuel costs

#### 2. Benefits derived as a result of above efforts:

- (a) Improved environment.
- (b) Lower cost of production.

#### 3. Imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

- (a) Technology
- (b) Year of import
- (c) Has technology been fully absorbed
- (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action

} Not applicable as no technology imported

#### 4. Foreign Exchange Earnings and Outgo

The FOB value of exports amounted to ₹ 484.62 lacs against ₹ 466.56 lacs in the previous year.

The expenditure in foreign exchange comprises of travel for export promotion ₹ 2.04 lacs and other expenditure ₹ 20.44 lacs.

For and on behalf of the Board

**Ravindra K Raje**  
Director

**Ashok K Kapur**  
Wholetime Director

Place: Jabalpur  
Date : 27<sup>th</sup> May, 2015



## Annexure - IV to Boards' Report

**EXTRACT OF ANNUAL RETURN**as on the financial year ended 31<sup>st</sup> March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT – 9****I. Registration and other details**

i) CIN	L24111MP1961PLC016023
ii) Registration Date	13 <sup>th</sup> January, 1961
iii) Name of the Company	Narmada Gelatines Limited
iv) Category / Sub-Category of the Company	Company having Share Capital
v) Address of the Registered office and contact details	CARAVS, Room No. 28, 15 Civil Lines, Jabalpur – (M.P.) Phone - 0761 – 2830433
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	C.B. Management Services Pvt. Ltd. P-22 Bondel Road, Kolkata Phone: 033-40116700, 2280 E-mail – rta@cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY****All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:**

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Gelatine	20295	74%
2	Di-Calcium Phosphate – Poultry Feed	10802	21%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Alfamont (Mauritius) Ltd. Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	Foreign Company	Holding	75%	2(46)
2	Jumbo World Holdings Ltd. Sea Meadow House, Blackburne Highway (P.O.Box 116), Road Town, Tortola, British Virgin Islands	Foreign Company	Ultimate Holding	Nil	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholder	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoter</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(e)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	3024793	0	3024793	75.00	4537189	0	4537189	75.00	0.00
(d)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>3024793</b>	<b>0</b>	<b>3024793</b>	<b>75.00</b>	<b>4537189</b>	<b>0</b>	<b>4537189</b>	<b>75.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3024793</b>	<b>0</b>	<b>3024793</b>	<b>75.00</b>	<b>4537189</b>	<b>0</b>	<b>4537189</b>	<b>75.00</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	0	350	350	0.01	175	350	525	0.01	0.00
(g)	Foreign Institutional Investors (FII)	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>350</b>	<b>350</b>	<b>0.01</b>	<b>175</b>	<b>350</b>	<b>525</b>	<b>0.01</b>	<b>0.00</b>



	Category of Shareholder	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
i)	Indian	273724	2200	275924	6.84	468006	3300	471306	7.79	0.95
ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i.	Individual shareholders holding nominal share capital up to ₹ 1 lakh	486693	75264	561957	13.93	693174	92825	785999	12.99	-0.94
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	121496	0	121496	3.01	189979	0	189979	3.14	0.13
(c)	Others	-	-	-	-	-	-	-	-	-
(i)	NRI	31327	0	31327	0.78	56224	0	56224	0.93	0.15
(ii)	Clearing Member	17211	0	17211	0.43	8365	0	8365	0.14	-0.29
	<b>Sub-Total (B)(2)</b>	<b>930451</b>	<b>77464</b>	<b>1007915</b>	<b>24.99</b>	<b>1415748</b>	<b>96125</b>	<b>1511873</b>	<b>24.99</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>930451</b>	<b>77814</b>	<b>1008265</b>	<b>25.00</b>	<b>1415923</b>	<b>96475</b>	<b>1512398</b>	<b>25.00</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>3955244</b>	<b>77814</b>	<b>4033058</b>	<b>100.00</b>	<b>5953112</b>	<b>96475</b>	<b>6049587</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3955244</b>	<b>77814</b>	<b>4033058</b>	<b>100.00</b>	<b>5953112</b>	<b>96475</b>	<b>6049587</b>	<b>100.00</b>	<b>0.00</b>

(ii) **Shareholding of Promoters**

i) Category-wise Share Holding	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Alfamont (Mauritius) Ltd	3024793	75	0	4537189	75	0	0

(iii) **Change in Promoters' Shareholding**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	3024793	75	3024793	75
1 <sup>st</sup> October, 2014 – Bonus issue	1512396	75	4537189	75
At the end of the year	4537189	75	4537189	75



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Milliner Agencies Pvt. Ltd.	At the beginning of the year	1-Apr-14	164746	4.08	164746	4.08
		Bonus allotment	1-Oct-14	82373	1.36	247119	4.08
		At the end of the year	31-Mar-15			247119	4.08
2	Deepak Madhav Tudavekar	At the beginning of the year	1-Apr-14	31887	0.79	31887	0.79
		Bonus allotment	1-Oct-14	15943	0.26	47830	0.79
		At the end of the year	31-Mar-15			47830	0.79
3	Maruti Business Services Ltd	At the beginning of the year	1-Apr-14	23562	0.58	23562	0.58
		Bonus allotment	1-Oct-14	11781	0.19	35343	0.58
		At the end of the year	31-Mar-15			35343	0.58
4	SPT International and Finance Limited	At the beginning of the year	1-Apr-14	23181	0.57	23181	0.57
		Decrease	4-Apr-14	500	0.01	22681	0.56
		Increase	6-Jun-14	9	0.00	22690	0.56
		Decrease	13-Jun-14	100	0.00	22590	0.56
		Increase	20-Jun-14	23	0.00	22613	0.56
		Decrease	30-Jun-14	273	0.01	22340	0.55
		Increase	11-Jul-14	100	0.00	22440	0.56
		Increase	18-Jul-14	50	0.00	22490	0.56
		Decrease	8-Aug-14	615	0.02	21875	0.54
		Increase	22-Aug-14	100	0.00	21975	0.54
		Decrease	29-Aug-14	100	0.00	21875	0.54
		Decrease	5-Sep-14	100	0.00	21775	0.54
		Decrease	12-Sep-14	100	0.00	21675	0.54
		Increase	19-Sep-14	100	0.00	21775	0.54
		Bonus allotment	1-Oct-14	10887	0.18	32662	0.54
		Increase	24-Oct-14	100	0.00	32762	0.54
		Decrease	31-Oct-14	100	0.00	32662	0.54
		Decrease	7-Nov-14	100	0.00	32562	0.54
		Increase	14-Nov-14	100	0.00	32662	0.54
		Decrease	21-Nov-14	1500	0.02	31162	0.52
		Increase	28-Nov-14	600	0.01	31762	0.53
		Increase	19-Dec-14	1600	0.03	33362	0.55
		Decrease	31-Dec-14	100	0.00	33262	0.55
Increase	2-Jan-15	100	0.00	33362	0.55		
Increase	23-Jan-15	100	0.00	33462	0.55		
Decrease	6-Feb-15	2800	0.05	30662	0.51		
Increase	13-Feb-15	100	0.00	30762	0.51		
Increase	20-Feb-15	500	0.01	31262	0.52		
Decrease	27-Feb-15	32	0.00	31230	0.52		
Increase	6-Mar-15	231	0.00	31461	0.52		
Increase	20-Mar-15	601	0.01	32062	0.53		
Increase	27-Mar-15	600	0.01	32662	0.54		
Increase	31-Mar-15	200	0.00	32862	0.54		
		At the end of the year	31-Mar-15			32862	0.54
5	Dharamvir Gupta	At the beginning of the year	1-Apr-14	21949	0.54	21949	0.54
		Bonus allotment	1-Oct-14	10974	0.18	32923	0.54
		At the end of the year	31-Mar-15			32923	0.54



Sl. No.	Name of Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	Sujay Sahu	At the beginning of the year	1-Apr-14	16448	0.41	16448	0.41
		Decrease	23-May-14	1224	0.03	15224	0.38
		Bonus allotment	1-Oct-14	7612	0.13	22836	0.38
		Increase	24-Oct-14	523	0.01	23359	0.39
		Decrease	31-Oct-14	2033	0.03	21326	0.35
		Decrease	14-Nov-14	1792	0.03	19534	0.32
		At the end of the year	31-Mar-15			19534	0.32
7	Rupesh Bhutoria	At the beginning of the year	1-Apr-14	16000	0.40	16000	0.40
		Bonus allotment	1-Oct-14	8000	0.13	24000	0.40
		At the end of the year	31-Mar-15			24000	0.40
8	Shreekant Phumbhra	At the beginning of the year	1-Apr-14	15000	0.37	15000	0.37
		Bonus allotment	1-Oct-14	7500	0.12	22500	0.37
		Decrease	19-Dec-14	2500	0.04	20000	0.33
		Decrease	31-Dec-14	10000	0.17	10000	0.17
		Decrease	6-Feb-15	5000	0.08	5000	0.08
		Decrease	13-Feb-15	5000	0.08	0	0.00
		At the end of the year	31-Mar-15			0	0.00
9	Anil Kumar Goel	At the beginning of the year	1-Apr-14	14000	0.35	14000	0.35
		Decrease	18-Apr-14	14000	0.35	0	0.00
		At the end of the year	31-Mar-15			0	0.00
10	Earth Advisors LLP	At the beginning of the year	1-Apr-14	13500	0.33	13500	0.33
		Increase	16-May-14	250	0.01	13750	0.34
		Bonus allotment	1-Oct-14	6875	0.11	20625	0.34
		Increase	30-Jan-15	1500	0.02	22125	0.37
		Increase	6-Feb-15	3407	0.06	25532	0.42
		Decrease	27-Mar-15	7499	0.12	18033	0.30
		At the end of the year	31-Mar-15			18033	0.30
11	Swaran Financial Pvt Ltd	At the beginning of the year	1-Apr-14	3000	0.07	3000	0.07
		Increase	2-May-14	1568	0.04	4568	0.11
		Increase	12-Sep-14	225	0.01	4793	0.12
		Decrease	19-Sep-14	450	0.01	4343	0.11
		Decrease	31-Oct-14	4003	0.07	340	0.01
		Increase	7-Nov-14	3240	0.05	3580	0.06
		Increase	14-Nov-14	17747	0.29	21327	0.35
		Increase	28-Nov-14	1331	0.02	22658	0.37
		Increase	12-Dec-14	3755	0.06	26413	0.44
		Increase	19-Dec-14	2523	0.04	28936	0.48
		Increase	31-Dec-14	994	0.02	29930	0.49
		Decrease	6-Feb-15	7000	0.12	22930	0.38
		Increase	20-Feb-15	5749	0.10	28679	0.47
		Increase	27-Feb-15	7425	0.12	36104	0.60
		Increase	6-Mar-15	1359	0.02	37463	0.62
		Increase	13-Mar-15	1167	0.02	38630	0.64
		Increase	20-Mar-15	2471	0.04	41101	0.68
		Increase	27-Mar-15	5295	0.09	46396	0.77
		Increase	31-Mar-15	2560	0.04	48956	0.81
		At the end of the year	31-Mar-15			48956	0.81





Sl. No.	Name of Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	Satsahib Securities Private Limited	At the beginning of the year	1-Apr-14	0	0.00	0	0.00
		Increase	18-Jul-14	13400	0.33	13400	0.33
		Bonus allotment	1-Oct-14	6700	0.11	20100	0.33
		Decrease	7-Nov-14	100	0.00	20000	0.33
		Decrease	14-Nov-14	5	0.00	19995	0.33
		At the end of the year	31-Mar-15			19995	0.33

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors and KMP	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Ashok Kapur Wholetime Director	At the beginning of the year	01-Apr-14	700	0.01	700	0.01
		Bonus allotment	01-Oct-14	350	0.00	1050	0.01
		At the end of the year	31-Mar-15			1050	0.01
2	Mr. Ravindra Rajee Director	At the beginning of the year	01-Apr-14	180	0.00	180	0.00
		Increase	06-Jun-14	5	0.00	185	0.00
		Increase	22-Aug-14	5	0.00	190	0.00
		Bonus allotment	01-Oct-14	95	0.00	285	0.00
		Decrease	03-Oct-14	95	0.00	190	0.00
		Increase	10-Oct-14	100	0.00	290	0.00
		Increase	24-Oct-14	3	0.00	293	0.00
		Increase	31-Oct-14	7	0.00	300	0.00
		Increase	21-Nov-14	20	0.00	320	0.01
		Increase	13-Mar-15	10	0.00	330	0.01
		Increase	20-Mar-15	5	0.00	335	0.01
		Increase	31-Mar-15	4	0.00	339	0.01
3	Mr. Mahesh Verma Company Secretary	At the beginning of the year	01-Apr-14	100	0.00	100	0.00
		Bonus allotment	01-Oct-14	50	0.00	150	0.00
		At the end of the year	31-Mar-15			150	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	-	-	-
· Reduction	-	-	-	-
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Ashok K Kapur - Wholetime Director	Total Amount (₹ lacs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	30.83 - -	30.83 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
5.	Others		
	Total (A)	30.83	30.83
	Ceiling as per the Act		115.00*

\*Being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹ Lacs)
1.	<b><u>Independent Directors</u></b>	<b>Jt. Gulab Gupta</b>	<b>Mr. M.C. Pant</b>	<b>Mr. Deepak Chaudhari</b>	
	Fee for attending board / committee meetings	0.64	0.66	0.64	1.94
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.64	0.66	0.64	1.94
2	<b><u>Other Non-Executive Directors</u></b>	<b>Mr. Sanjeev Jain</b>	<b>Mr. R.K. Raje</b>	<b>Mrs. Drushti R Desai</b>	
	Fee for attending board / committee meetings	0.46	0.53	0.14	1.13
	Commission	-	-	-	-
	Total (2)	0.46	0.53	0.14	1.13
	Total (B)=(1+2)	1.1	1.19	0.78	3.07
	Total Managerial Remuneration **				33.90
	Overall Ceiling as per the Act				23.00*

\* Being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013

\*\* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ Lacs)
		Mr. Mahesh Verma Company Secretary	Ms Priya Gupta CFO	
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	10.50	4.21	14.71
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of Profit	-	-	-
5.	Others	-	-	-
	Total	10.50	4.21	14.71

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			None		



## Annexure - V to Boards' Report

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Justice Gulab Gupta - Director	0.64	24.9%	0.29	
2	Deepak Chaudhuri - Director	0.64	24.9%	0.29	
3	Mohan C Pant - Director	0.66	29.8%	0.30	
4	Sanjeev Jain - Director	0.47	74.9%	0.21	
5	Ravindra K Raje - Director	0.53	9%	0.24	
6	Drushti Desai - Director	0.14	*	0.06	
7	Ashok K Kapur - Wholetime Director	30.83	NIL	13.80	
8	Mahesh Verma - Company Secretary	10.51	9.4%	Not Applicable	Profit before tax decreased by 5.84% and Profit after tax decreased by 4.67% in the financial year 2014-15
9	Priya Gupta - Chief Financial Officer	4.21	**	Not Applicable	

\* Details not given as Mrs Drushti Desai was appointed a Director w.e.f. 22.9.2014

\*\* Details not given as Ms Priya Gupta was appointed as Chief Financial Officer w.e.f. 11.11.2014

- ii) The median remuneration of employees of the Company during the financial year 2014-15 was ₹ 2.23 lacs.
- iii) In the financial year 2014-15, there was a decrease of 9.28% in the median remuneration of employees.
- iv) There were 202 (excluding Wholetime Director) permanent employees on the rolls of Company as on March 31, 2015.
- v) Relationship between average increase in remuneration and company performance: The Profit before Tax for the financial year ended March 31, 2015 reduced by 5.84% whereas the median remuneration decreased by 9.28%.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 2.3% from ₹ 44.50 lacs in 2013-14 to ₹ 45.55 lacs in 2014-15 whereas the Profit before Tax decreased by 5.84% to ₹ 2340.40 lacs in 2014-15 (₹ 2485.59 lacs in 2013-14).
- vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was 10604.92 lacs (₹ 5979.01 lacs as on March 31, 2014).
- b) Price Earnings ratio of the Company was 6.84 as at March 31, 2015 and was 3.68 as at March 31, 2014.
- c) Percent increase in the market quotation of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company had come out with initial public offer (Right Issue) in 1994-95. An amount of ₹ 1,000 invested in the said Rights Issue / IPO would be worth ₹26,295 as on March 31, 2015 indicating a Compounded Annual Growth Rate of 17.76%. This is excluding the dividend accrued thereon;
- viii) Average percentage decrease in the salaries of employees other than the Key managerial personnel in the last financial year i.e. 2014-15 was 1.27% whereas increase in the managerial remuneration for the same financial year was 2.33%.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance encompasses best management practices, compliance of law and voluntary adherence to ethical standards, enhancing shareholders value and discharge of social responsibility. The principle of good corporate governance is to ensure fairness in all transactions within and outside the company with investors, customers, employees, partners, competitors and the society at large. Adoption of Corporate Governance and disclosure practices attract the best of capital and talent for any organisation and create value and wealth on a sustainable and long term basis. Together with meaningful CSR activities and sustainable development policies your Company strives to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. This report sets out the compliance status for the Company with the requirements of corporate governance, for the financial year 2014-15.

The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organisation viz. the board of directors, the senior management, employees, etc. The company's focus revolves around values based on transparency, integrity, professionalism and accountability. Its initiatives towards this end include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI. The company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy all round growth and development to take the company forward.

In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and adhere to ethical standards is committed to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has adopted various codes and policies to carry out duties in an ethical manner. The following some of these codes and policies have been adopted by the Company:

- Code of Conduct
- Code of Internal Procedure and Conduct for insider Trading
- Whistle Blower Policy
- Related Party Transactions Policy
- Corporate Social Responsibility Policy
- Sexual Harassment Policy
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Board Performance Evaluation Policy
- Risk Management Policy

The Board of Directors of the Company has an optimum combination of Executive and Independent Non-Executive Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management.

#### Directors:

The Board of Directors plays pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders. The Company's policy is to maintain optimum combination of Executive, Non-Executive and independent Directors. The members of the Board are from diverse backgrounds with skills and experience in different sectors like technology, finance, legal, power and general management. With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Harassment Committee.



**Role of the Company Secretary in overall governance process:**

The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. The Company Secretary plays a key role in ensuring that the procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making.

**BOARD OF DIRECTORS**

**1. Board Composition, attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies:**

The Company's policy is to maintain an optimum combination of Executive, Non-Executive and Independent Directors, constituted in conformity with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges. The members of the Board come from diverse backgrounds with skill and experience in different sectors like technology, finance, legal, power and general management. The Company has a total of 7 Directors of which six are Non-Executive Directors and out of which three are Independent Directors.

(i) Composition of the Board of Directors is as follows:

Category	Name of the Directors
Independent Directors	Justice Gulab Gupta Mr. Deepak Chaudhuri Mr. M. C. Pant
Non-Executive Non-Independent Directors	Mr. Sanjeev Jain Mr. R.K. Raje Mrs. Drushti R Desai
Executive Director	Mr. Ashok K. Kapur

(ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement, across all the companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2015 have been made by the Directors.

Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies is given below.

Name of Director	No. of other Directorships	Committees of which he/she is a member	Committees of which he/she is Chairman	Attendance	
				Board Meetings	Last AGM (22.09.2014)
Justice Gulab Gupta	-	1	1	5	Yes
Mr. Deepak Chaudhuri	-	1	-	5	Yes
Mr. M.C. Pant	-	2	1	5	Yes
Mr. Sanjeev Jain	3	2	1	5	Yes
Mr. R. K. Raje	3	5	2	5	Yes
Mr. A. K. Kapur	1	1	-	5	Yes
Mrs. Drushti R. Desai (appointed on 22.09.2014)	5	6	3	1	No

*The above does not include any Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies. Memberships/Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of Public Limited Companies have been considered.*

**Directors' Profile**

A brief resume of Director(s) being appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/ chairmanships of Board Committees and their shareholding in the Company are provided below:

Mr. Sanjeev Jain is a Chartered Accountant. He is on the Board of Aasman Management Services Pvt. Ltd., Dandvati Investments & Trading Co. Pvt. Ltd., Derby Electricals (India) Private Limited, Firestorm Electronic Corporation Pvt. Ltd., MPIL Corporation Limited, GWL Properties Limited, Harshit Finlease & investments Pvt. Ltd., Jumbo Electronics Corporation Pvt. Ltd., Jumbo World Holdings (India) Pvt. Ltd., L'Aquila Investments Pvt. Ltd., Primo Enterprises Pvt. Ltd., SMN Engineers Ltd., Viman Investments Pvt. Ltd. and Orson Video Pvt. Ltd. and Wizer Advertising Pvt. Ltd.

He does not hold any shares in the company as on 31st March, 2015.





**2. Board Meetings**

During the year ended 31<sup>st</sup> March, 2015 the Company held five Board meetings. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than one hundred and twenty days. The details of the Board meetings held are as under:

Dates of Board Meeting	Board Strength	No. of Directors Present
27 <sup>th</sup> May, 2014	6	6
6 <sup>th</sup> August, 2014	6	6
22 <sup>nd</sup> September, 2014	7	6
11 <sup>th</sup> November, 2014	7	6
2 <sup>nd</sup> February, 2015	7	7

**Information placed before Board of Directors**

The Board of Directors is provided with all the information and update on the subjects detailed under and have complete access to any information within the Company.

- Annual operating plans and budgets and updates
- Capital budgets and updates
- Quarterly / annual financial results for the company
- Minutes of meetings of board meetings, audit committee and other committees of the board
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Appointment / removal and remuneration of Key Managerial Personnel, senior officers below the Board level
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company
- Significant labour problems and their proposed solutions
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc
- Sale of material nature, of investments, assets, which is not in the normal course of business
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfers, etc.
- Quarterly compliance certificates which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service
- Appointment, remuneration and resignation of Directors
- Proposals requiring strategic guidance and approvals of the Board of Directors
- Related party transactions
- Formation and reconstitution of Board Committees and their terms of reference
- Declarations by Independent Directors
- Disclosures of interest of Directors and their shareholding
- Appointment and fixing of remuneration of Statutory Auditors as recommended by the Audit Committee
- Appointment of Internal Auditors and Secretarial Auditors
- Discussion on reports and observations of Internal and Statutory Auditors
- Dividend declaration
- Making of loans and investment of surplus funds
- Proposal for major investments, merger, amalgamations
- Borrowing money, giving guarantees or providing security in respect of loan
- Issue of securities, shares, debentures
- Compliance certificate certifying compliance with all laws applicable to the company
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996



The Agenda and Notes on agenda for Board Meetings are circulated to Directors in advance. All material information is incorporated therein to facilitate meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, any other matters are discussed with the permission of the Chairman of the Board meeting.

**Recording minutes of proceedings at Board and Committee meetings**

The Company Secretary records the minutes of proceedings of Board and Committee meetings. Draft minutes are circulated to members of the Board/ Board Committees for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

**Post-meeting follow-up mechanism**

Management takes actions on the decisions and directions arising out of the discussions of the Board/ Committees Meetings. Important decisions taken at meetings of the Board/Board Committees are communicated promptly to the concerned departments/ divisions.

An action taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Board Committee for review and follow-up.

**Compliance**

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/ Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

**COMMITTEES OF THE BOARD**

The Board has constituted five Committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility, Stakeholders’ Relationship Committee and Risk Management Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on business needs.

**1. Audit Committee**

The constitution of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee consists of the following members:

Justice Gulab Gupta - Chairman	Non-Executive Independent Director
Mr. Deepak Chaudhuri	Non-Executive Independent Director
Mr. M.C. Pant	Non-Executive Independent Director
Mr. R.K. Raje (till 22.09.2014)	Non-Executive Director
Mrs. Drushti R Desai (wef 22.09.2014)	Non-Executive Director

Mr. R.K. Raje possesses expert financial and accounting knowledge and is a Fellow member of the Institute of Chartered Accountants of India. He is also a qualified Company Secretary and a Bachelor of Law.

Mrs. Drushti R Desai possesses expert financial and accounting knowledge and is a Fellow member of the Institute of Chartered Accountants of India.

The objective of the Audit Committee is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee’s purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company’s financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company’s risk management policies. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board. The Audit Committee shall have authority to investigate any matter within the term of reference or referred to it by the Board.

The terms of reference of the Audit Committee are broadly as under:

- Reviewing the financial reports and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information as disclosed in the reports.
- Recommending the appointment and removal of internal and external auditors, fixation of audit fee and other payments.
- Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information.



- Reviewing with management the quarterly and annual financial statements before submission to the Board focusing primarily on:
  - any changes in accounting policies and practices;
  - major accounting entries based on exercise of judgment by management;
  - qualifications in draft audit report;
  - significant adjustments arising out of audit;
  - the going concern assumption;
  - compliance with accounting standards;
  - compliance with stock exchange and legal requirements concerning financial statements;
  - approval or any subsequent modification of transactions of the company with related parties;
  - Reviewing the Company’s financial and risk management policies;
  - Disclosure of contingent liabilities;
  - scrutiny of inter-corporate loans and investments;
  - valuation of undertakings or assets of the company, wherever it is necessary;
  - monitoring the end use of funds raised through public offers and related matters.
- Reviewing with the management, and internal auditors, the adequacy of internal financial controls and risk management.
- Reviewing the adequacy of internal audit function, including the audit charter, approval of the audit plan and its execution, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the CFO (i.e. the wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate
- Carry out such other functions as may be specifically referred to the Committee by the Board of Directors or other Committee of Directors.

The Audit Committee Meetings are usually attended by the Whole Time Director, Chief Financial Officer and representatives of the Statutory Auditors and Internal Auditors. The Company Secretary acts as Secretary of the Audit Committee.

The previous Annual General Meeting of the Company was held on 22<sup>nd</sup> September, 2014. The Chairman of the Audit Committee, Justice Gulab Gupta attended the Meeting.

Four Audit Committee meetings were held during the year. The composition of the Audit Committee as at 31<sup>st</sup> March, 2015 and details of the Members’ participation at the Meetings of the Committee are as under:

Name of member	Attendance at the Audit Committee Meetings held on			
	27 <sup>th</sup> May, 2014	6 <sup>th</sup> August, 2014	11 <sup>th</sup> November, 2014	2 <sup>nd</sup> February, 2015
Mr. Deepak Chaudhuri	✓	✓	✓	✓
Justice Gulab Gupta	✓	✓	✓	✓
Mr. R.K. Raje (member till 22.9.2014)	✓	✓	NA	NA
Mr. M.C. Pant	✓	✓	✓	✓
Mrs. Drushti R Desai (Appointed on 22.9.2014)	NA	NA	Leave of absence	✓



**2. Nomination and Remuneration Committee**

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has re-constituted the existing “Remuneration Committee” as the “Nomination and Remuneration Committee”. The Committee consists of the following members:

Mr. Deepak Chaudhuri – Chairman	Non - Executive Independent Director
Justice Gulab Gupta	Non - Executive Independent Director
Mr. M.C. Pant (till 22.9.2014)	Non - Executive Independent Director
Mr. Sanjeev Jain (w.e.f. 22.9.2014)	Non - Executive Director

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To carry out evaluation of every director’s performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To carry out any other function as is mandated by the Board from time to time.

Two meetings of Nomination and Remuneration Committee were held during the year. The composition of the Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of Member	Attendance at the Committee Meetings	
	6 <sup>th</sup> August, 2014	2 <sup>nd</sup> February, 2015
Mr. Deepak Chaudhuri – Chairman	✓	✓
Justice Gulab Gupta	✓	✓
Mr. M.C. Pant (till 22.9.2014)	✓	NA
Mr. Sanjeev Jain (w.e.f. 22.9.2014)	NA	✓

**Details of Remuneration and other terms of appointment of Directors:**

The aggregate value of the salary and perquisites paid for the year ended 31<sup>st</sup> March, 2015 to the Whole-Time Director was ₹30.83 lacs. Besides this, the Whole-Time Director is entitled to Gratuity and encashment of leave at the end of tenure of service. The current agreement with the Whole-time Director is for a period of 3 years from the date of appointment and the same can be terminated by either party by giving three months’ notice in writing.

The Non-Executive Directors are paid sitting fee for attending each meeting of the Board and Committee Meeting of the Directors as detailed hereunder:

Meetings	Amount (₹) Net of TDS	Amount (₹) Subject to TDS (w.e.f. 22.9.2014)
Board Meeting	8000/-	10000/-
Audit Committee Meeting	3000/-	4000/-
Nomination and Remuneration Committee Meeting	2000/-	2500/-
Stakeholder Relationship Committee Meeting	1,000/-	2500/-

**Sitting fees paid to the Non-Executive Directors, for 2014-15 are as detailed below:**

S. No.	Director's Name	(₹ in lacs)
1	Justice Gulab Gupta	0.64
2	Mr. M.C. Pant	0.66
3	Mr. Deepak Chaudhuri	0.64
4	Mr. R. K. Raje	0.53
5	Mr. Sanjeev Jain	0.47
6	Mrs. Drushti R Desai	0.14
	<b>Total</b>	<b>3.08</b>



## **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO, Managing Director and Wholetime Director and their remuneration. This Policy is accordingly derived from the said Charter.

### **Appointment and removal of Directors, Key Management Personnel and Senior Management**

#### Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### Term / Tenure:

##### *Managing Director/Whole-time Director:*

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### *Independent Director:*

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms. However, such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, subject to the Independent Director, during the said period of three years, not being associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st April, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall only be eligible for appointment for one more term not exceeding 5 years.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director, and to three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

#### Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, and Rules made thereunder or under any other applicable act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and KMP subject to the provisions and compliance of the said Act, rules and regulations.

#### Retirement:

The Directors and KMP shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **Remuneration for Directors, Key Management Personnel and Senior Management personnel**

The remuneration/ compensation/ commission, etc. to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission, etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.



Remuneration to Non-Executive/ Independent Directors:

**Sitting Fees:** The Non-Executive Directors shall be paid sitting fee for attending the Board and Committee meetings. The amount of such fees shall be as recommend by the Nomination and Remuneration Committee and approved by the Board subject to the limits specified under the Act or by the Central Government from time to time. In addition, the Directors shall be paid for travel and accommodation expenses in connection with Board/ Committee meetings of the Company.

**Commission:** No Commission shall be paid to Non-Executive/ Independent Directors.

**Stock Options:** Independent Directors shall not be entitled to any stock options of the Company.

Remuneration of Executive / Whole Time Director:

General principles for the remuneration of the Executive/ Whole-Time Director/ Key Management Personnel and Others:

- To compensate all executives adequately so as to attract, retain and motivate the best talents at all levels: In order to attract and retain managerial expertise, the elements of the remuneration of the members of the Executive Board/ Key Managerial Personnel and Senior Management personnel shall be determined on the basis of their performance, the functions they perform and the value they create as well as of the conditions in other companies. Care should be taken to ensure that there is minimum disparity between compensation levels of existing and new employees.
- To compensate the employees for updating themselves with the changing requirements of the business and laws and enhance their capabilities for the benefit of the organisation for attending skill development programmes and courses.

The Executive/ Whole-Time Directors shall be paid salary keeping in view the overall permissible managerial remuneration as per Section 197 of the Companies Act, 2013.

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st April in respect of a Whole-time Director and other employees of the Company.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Excess remuneration:

If the Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration of Key Management Personnel and Senior Management personnel:

Each element of the remuneration should be weighted in order to ensure a continuous positive development of the company both in the short and long-term.

(i) **Fixed salary, allowances and perquisites**

**Basic Salary:** The basic salary for all new recruitments shall be decided based on negotiations. At the time of recruitment, HRD should ensure that the salary is within the salary range of that particular grade in which the executive is to be recruited. Subsequent changes in the basic salary will be effected only at the time of an annual increment based on performance/ promotion.

**House Rent Allowance:** For all grades, HRA will be 60% of the basic in metros and 50% in non-metro (for existing executives in grade 5 and above whose HRA is 60% of basic in non-metro, the HRA will be brought down to 50% of basic and the differential amount will be added as Special Allowance).

**Conveyance Allowance:** This is a fixed amount as per grade. It is provided for travel to and from the place of residence to work.

**Special Allowance:** This is a variable component of the salary and is decided on case to case basis, depending upon the job profile /special circumstances of the employee.

**Leave Travel Assistance:** This is a fixed amount as per grade and applicable to all executives. It is provided as financial assistance for travel to any place in India for the executive and his/ her family while on leave.



**Medical Reimbursement Facility:** Medical reimbursement is paid to executives for medical treatment and health check-up for self and family.

**Retiral Funds:** This includes Provident Fund, Gratuity and Leave encashment payable to employees, and will be governed by the rules of the individual funds / company policy as appropriate.

**(ii) Annual Performance bonus**

Annual Performance Bonus is a variable incentive award in order to encourage the management team to meet the short-term as well as long-term goals of the Company. The Board considers it appropriate that incentive programmes exist for the Executive/Whole-time Directors and Senior Management personnel of the Company. Such incentive programmes may comprise any form of performance bonus, etc.

Annual bonus arrangements are one-year bonus schemes. The annual bonus payments are conditional upon compliance in full or in part with the terms and targets defined by the company and payable to the employees who are in service / extension at the time of declaring the bonus.

**(iii) Promotions/ Increments**

A promotion is a career opportunity for an employee that involves greater responsibilities, and may also involve an increase in salary, and a change in title. In the normal course, an employee should have completed at least a minimum of 1 year of service in the Company, prior to being eligible for any kind of Promotion.

The Company shall have a process of carrying out an annual appraisal of all its KMP and Senior Management personnel to assess their performance for the previous financial year. This appraisal shall form the basis for any increments that may be considered.

The criteria of evaluation for promotions/ increments would, inter alia, be as follows:

- Need of the Organisation
- On basis of performance appraisal scores
- Attendance (excluding Privilege Leave)
- Competencies Education
- Honesty and sincerity
- Due weightage to a good service record in terms of:
  - Multi-tasking- Ability to do more than one task
  - Behaviour with subordinates, colleagues, peers
  - Demonstrated ability to improve quality, productivity, safety, cost and efficiency
- Consistency in the quality of work
- Willingness to accept tasks
- Ability to finish tasks on time and up to the desired level of efficiency

Points to be considered for promoting an employee:

- Actual achievements against Key Responsibilities, Objectives (Action Plans), and measurement of performance factors leading to the overall scores of the appraisal
- Competency at new level for the employee being considered for promotion
- Overall growth plan of the organization
- The promotion should lead to adding on more responsibilities
- Education shall be used as a one of the main criteria for promotion of any person to a senior Managerial cadre and above; he should possess at least a Masters level degree or PG Diploma from a recognized institute.

**Performance Evaluation of Board**

**1. Board of Directors**

- (i) This policy is to ensure individual directors (“Directors”) and the Board of Directors of the Company (“Board”) as a whole work efficiently and effectively in achieving their functions.
- (ii) Each year the Board will undertake the following activities:
  - (a) the Chairperson will meet with each non-executive director separately to discuss individual performance and ideas for improvement; and



- (b) the Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

## 2. Executive/ Whole-time Directors and Key Executives

This policy is to ensure the Executive/ Whole-time Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- (a) the Board will review the Company's strategy annually;
- (b) following strategy review above the Board will set the organisation performance objectives based on qualitative and quantitative measures;
- (c) the objectives above are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business;
- (d) the objectives form part of the performance targets for the Executive Director; and
- (e) performance against these objectives is reviewed annually by the Board and is reflected in the Executive Directors remuneration review.

## 3. Board Committees

- (i) This policy is to ensure committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the Board Charter.
- (ii) Each year the Board will undertake the following activities:
  - (a) review the necessity of establishing any committees and delegating certain of its responsibilities to the relevant committee;
  - (b) review the committees' achievements during the year based on their duties; and
  - (c) review the charters of the committees to ensure that they are up to date and remain consistent with the Company's strategy.

## 4. Review of Board Performance Evaluation Policy

This policy will be reviewed annually.

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### TERMS OF APPOINTMENT AND REMUNERATION OF Mr. ASHOK K KAPUR - WHOLETIME DIRECTOR

- (1) Period of appointment – Three years from June 1, 2013 to May 31, 2016.
- (2) Nature of Duties: Mr. Ashok K Kapur shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.





(3) Remuneration, perquisites, allowances and benefits:–

(i) Remuneration:

Basic Pay ₹ 1,26,000 per month

(ii) Perquisites & Allowances:

HRA/Company Accommodation ₹ 63,000 per month

Conveyance Allowance ₹ 1,150 per month

Special Allowance ₹ 25,000 per month

Leave Travel Allowance ₹ 60,000 per annum

Medical reimbursement of actual expenses/ allowance for self and family subject to a limit of ₹ 15,000 per month

(iii) Other benefits:

(a) Earned / privilege leave – As per the rules of the Company

(b) Company's contribution to provident fund and superannuation fund – As per the rules of the Company

(c) Gratuity – As per the rules of the Company

(d) Encashment of leave – As per the rules of the Company

(e) Company telephone – Use of the Company's telephone at the residence for official purposes, as per the rules of the Company

(iv) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year closing on and after March 31, 2013, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Ashok K Kapur the remuneration by way of salary, performance bonus and other allowances not exceeding the limits specified under Paragraph 2 of Section II, Part II of Schedule XIII of the Companies Act, 1956 / Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the government from time to time as minimum remuneration."

(4) Notice period: Three months' notice in writing.

(5) Other Terms: Compliance with the Company's Code of Conduct and Ethics, not to communicate or divulge to any person, any information detrimental to the interest of the company and maintain confidentiality, not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

Details of remuneration paid to the Directors are given in Form MGT – 9, annexue IV to Board's Report.

**3. Stakeholder Relationship Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has reconstituted the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

**The broad terms of reference of the Stakeholder Relationship Committee are as under:**

- To oversee and review all matters connected with the transfer of the Company's securities
- Oversee and review all matters connected with the transfer of the Company's securities
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties



The Stakeholders' Relationship Committee of the Company consist three Directors. One meeting of Stakeholders' Relationship Committee was held during the year. The composition of the Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Meeting held on 1 <sup>st</sup> October, 2014
Mr. M.C. Pant – Chairman	Non-Executive Independent Director	✓
Justice Gulab Gupta (till 22.9.2014)	Non-Executive Independent Director	NA
Mr. Ashok K Kapur	Whole-Time Director	✓
Mr. R.K. Raje (w.e.f. 22.9.2014)	Non-Executive Director	Leave of Absence

The Committee consider and resolve the grievances of security holders of the company. Recommend methods to upgrade the standard of services to the investors. Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading, etc

Mr. Mahesh Verma, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

The Board has delegated the power of approving transfer of shares and issue of duplicate certificates to the Whole-Time Director and Company Secretary.

During the year, four investor complaints were received by the Company. As on 31<sup>st</sup> March, 2015 there were no complaints pending for reply.

**4. Corporate Social Responsibility (CSR) Committee**

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
- To recommend the amount of expenditure to be incurred on CSR activities
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the Corporate Social Responsibility Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the CSR Committee Meetings held on	
		11 <sup>th</sup> November, 2014	2 <sup>nd</sup> February, 2015
Mr. M.C. Pant – Chairman	Non-Executive Independent Director	✓	✓
Mr. Sanjeev Jain	Non-Executive Director	✓	✓
Mr. Ashok K Kapur	Whole-Time Director	✓	✓

**5. Risk Management Committee**

The revised Clause 49 of the Listing Agreement mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform to the Audit Committee about the risk assessment and minimization procedures and the Audit Committee shall be responsible for framing, Implementing and monitoring the risk management plan of the Company.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluates treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, and mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.



The composition of the Risk Management Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Risk Management Committee Meeting held on 2 <sup>nd</sup> February, 2015
Mr. R.K Raje – Chairman	Non-Executive Director	✓
Mr. Ashok K Kapur	Whole-Time Director	✓
Mr. Sudhir K Shrivastava	Factory Manager	Leave of Absence
Mr. S. Bhattacharya	HOD – Purchase & Maintenance	Leave of Absence

**6. Independent Directors' Meeting**

The Nomination and Remuneration Committee recommends for appointment of Independent Directors on the Board. The Committee considers the requirement and skill and independent standing in their respective field, other thrust is given on qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

The Independent Directors meet as and when they require. During the year under review, the Independent Directors met on 2<sup>nd</sup> February, 2015, inter alia, to discuss:

- Evaluation of performance of the Independent Directors and the Board of Directors as a whole;
- Evaluation of quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

The Independent Directors expressed satisfaction on the performance of the non-independent directors in the functioning of the company and on the performance of the Board as a whole.

**CODE OF BUSINESS CONDUCT & ETHICS**

The Code of Business Conduct & Ethics ('the Code') adopted by the Board, is a comprehensive Code applicable to all Directors and Senior management personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centres on the following theme:

The Company's Board of Directors and Senior Management Personnel are responsible for conduct of the business, and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A copy of the Code has been put on the Company's website ([www.narmadagelatines.com](http://www.narmadagelatines.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Whole time Director of the Company to confirm that the Company has adopted a Code of Conduct for its Directors and employees of the Company is given below.

**Compliance with the Code of Conduct**

I Ashok K Kapur, Whole-time Director of M/s Narmada Gelatines Limited do hereby confirm that the Company has, in respect of the financial year ended March 31, 2015, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

*Ashok K Kapur*  
*Whole-Time Director*



**GENERAL BODY MEETINGS**

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

<b>AGM</b>	<b>Year</b>	<b>Venue</b>	<b>Date &amp; Time</b>	<b>Special Resolutions</b>
51 <sup>st</sup>	2011-12	Hotel Narmada Jacksons, South Civil Lines Jabalpur	Monday, 14 <sup>th</sup> August, 2012 at 1.00 p.m.	<ul style="list-style-type: none"> <li>For revision of Remuneration payable to Shri Ashok K. Kapur as the Whole Time Director of the Company.</li> <li>Alteration of Articles of Association</li> </ul>
52 <sup>nd</sup>	2012-13	Hotel Satya Ashoka, Wright Town, Jabalpur	Wednesday 14 <sup>th</sup> August, 2013 at 1:00 p.m.	<ul style="list-style-type: none"> <li>Re-appointment of Shri Ashok K. Kapur as the Whole Time Director of the Company.</li> </ul>
53 <sup>rd</sup>	2013-14	Hotel Narmada Jacksons, South Civil Lines Jabalpur	Monday 22 <sup>nd</sup> September, 2014 at 1:00 p.m.	<ul style="list-style-type: none"> <li>Power to borrow and mortgage / create charge on the assets of the Company</li> </ul>

During the year ended 31<sup>st</sup> March, 2015, there were no resolutions passed by the Company’s members through Postal Ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through Postal Ballot.

**DISCLOSURES**

**Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and are as per the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Attention of the Shareholders is drawn to the disclosures of transactions with the related parties set out in Notes on Financial Statements, forming part of the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the Company’s website.

**Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**Internal Controls**

The Company has a formal system of internal control which examines operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

**CEO & MD / CFO Certification**

The CEO & WTD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company’s affairs. The said certificate is annexed and forms part of the Annual Report.

**Vigil Mechanism / Whistle Blower Policy**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation of these principles and the Company’s Code of Conduct for Employees would be a matter of serious concern for the Company.

Employees have a role and responsibility in pointing out such violations. This Whistle Blower policy is formulated to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practices, acts or activities in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer (Company Secretary) / Whole Time Director/ Chairman of the Audit Committee, shall make a record and refer the matter to the Audit Committee for further appropriate investigation and needful action.

**Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of



unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**Means of Communication**

The quarterly, half-yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board. These are widely published in leading financial/ non-financial newspapers such as Financial Express, Hitvada, Navbharat, Dainik Bhaskar, Raj Express, Nai Duniya and Patrika, having all-India and regional coverage.

The Annual Report containing inter alia, Audited Financial Statements, Directors' Report, Auditors' Report, Notice of Annual General Meeting with explanatory notes and other important annexure / information is circulated to members and others entitled thereto.

Annual reports, quarterly results, shareholding pattern and other important information of the Company are also posted on the SEBI website [corpfilings.co.in](http://corpfilings.co.in) and the Company's website [www.narmadagelatines.com](http://www.narmadagelatines.com)

Management Discussion and Analysis Report forms part of the Annual Report.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre')**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**General Shareholders' Information**

➤ **Company Registration Details**

The Company is registered in the State of Madhya Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24111MP1961PLC016023

➤ **Annual General Meeting**

Day & Date	:	Thursday , 17 <sup>th</sup> September, 2015
Time	:	11:30 am
Venue	:	Hotel Narmada Jacksons, South Civil Lines, Jabalpur

➤ **Financial Year** : April 1 to March 31

➤ **Financial Calendar 2015-2016**

First Quarter Results	1 <sup>st</sup> August to 14 <sup>th</sup> August 2015
Second Quarter Results	1 <sup>st</sup> November to 15 <sup>th</sup> November, 2015
Third Quarter Results	: 1 <sup>st</sup> February to 15 <sup>th</sup> February, 2016
Results for the quarter and Annual	: 15 <sup>th</sup> May to 30 <sup>th</sup> May 2016
Results for the year ending on 31 <sup>st</sup> March, 2016	

➤ **Book Closure period** : 11<sup>th</sup> September, 2015 to 17<sup>th</sup> September, 2015 (both days inclusive)

➤ **Dividend payment date** : Dividends as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 17<sup>th</sup> September, 2015 to those shareholders whose names appear on the Company's Register of Members on 10<sup>th</sup> September, 2015.



➤ **Listing of Shares and other Securities**

Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

➤ **Stock Code**

**Scrip Code:** Bombay Stock Exchange (BSE) “526739”

**Company Symbol:** NARMADA GELA

➤ **Stock Market Data**

The monthly high/ low market prices of the shares during the year 2014-15 at the Bombay Stock Exchange Limited (BSE) were as under:

(₹ per share)

Month	High Price	Low Price
Apr 14	220.00	149.00
May 14	201.95	175.00
Jun 14	270.00	177.00
Jul 14	270.00	225.00
Aug 14	323.00	240.00
Sep 14	355.00	198.00
Oct 14 #	211.00	168.00
Nov 14 #	232.00	171.15
Dec 14 #	212.80	175.00
Jan 15 #	192.00	172.05
Feb 15 #	246.00	177.00
Mar 15 #	201.90	172.60

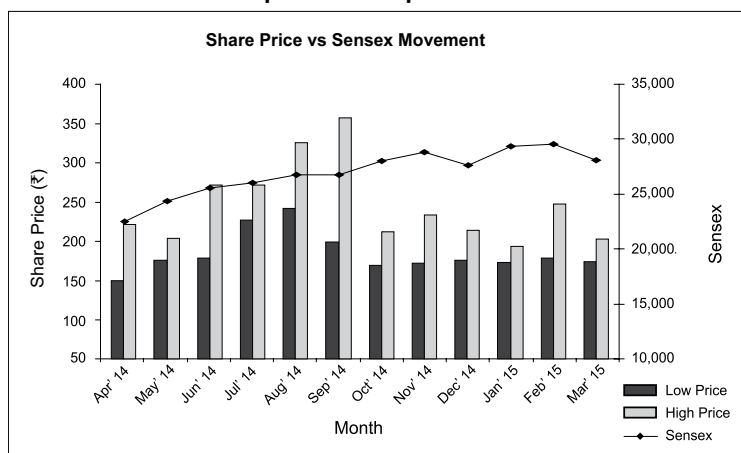
(Source BSE website)

➤ **Share price performance compared with broad based indices**

		BSE
Company's Share Price	As on 1.04.2014	150.00
	As on 31.03.2015	175.30
	Change #	16.87%
BSE Sensex	As on 1.04.2014	22,455.23
	As on 31.03.2015	27,957.49
	Change	24.50%

# after 1:2 bonus issue during the year

➤ **Performance of Share price in comparison to the BSE Sensex**





➤ **Registrar & Share Transfer Agents**

C B Management Services Pvt. Ltd.  
P-22 Bondel Road, Kolkata 700 019.  
Phone: (033) 4011 6700, 2280 Fax : (033) 4011 6739 Email : rta@cbmsl.com

➤ **Dividend declared for the last five years**

Year	On Equity Shares
2009-10	30%
2010-11	40%
2011-12	45%
2012-13	50%
2013-14	50%
2014-15	35% (Proposed) on increased capital

➤ **Share Transfer System**

Shares sent for transfer in physical form are registered and returned by the Company’s Registrar and Share Transfer Agent in about 20-25 days of the receipt of documents, provided documents are found in order. Shares under objections are returned within two weeks. The Board has delegated the authority for approving transfer, transmission of shares to the Whole-Time Director and Company Secretary, which is approved on regular basis by the Shareholders’ Grievances Committee of the Board at its meetings.

In compliance with the Listing Agreement / SEBI Guidelines -

- a Practicing Company Secretary carries out Reconciliation of Share Capital Audit on “Dematerialised shares and shares in Physical form” every quarter and the necessary reports issued by him are filed with the Stock Exchanges. The shares in Dematerialised form and Physical form tally with the issued/paid-up capital of the Company.
- Shareholding pattern and financial results are being uploaded www.listing.bseindia.com, quarterly and the Annual Reports annually.
- a Practicing Company Secretary carries out a Due Diligence survey, pertaining to share transfers, transmissions etc., every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges in compliance with clause 47(c) of the Listing Agreement.

➤ **Distribution of Shareholding**

The distribution of shareholding as on 31<sup>st</sup> March 2015 is given below:

Range No. of shares	Shareholders		Shares	
	Number	% to Total Holders	Numbers	% to Total Capital
Upto 500	1975	83.79	256832	4.25
501 - 1000	179	7.59	132374	2.19
1001 - 2000	89	3.78	122230	2.02
2001 - 3000	40	1.70	104177	1.72
3001 - 4000	16	0.68	55493	0.92
4001 - 5000	20	0.85	89086	1.47
5001 - 10000	20	0.85	130185	2.15
10001 and above	18	0.76	5159210	85.28
<b>TOTAL</b>	<b>2357</b>	<b>100.00</b>	<b>6049587</b>	<b>100.00</b>

➤ **Dematerialisation of shares as on 31<sup>st</sup> March, 2015**

Nearly 98% of total Equity Share Capital is held in Dematerialised form with NSDL & CDSL.

Category	No. of shares	%
Demat	5953112	98.41
Physical	96475	1.59
Total	6049587	100.00

A 3D pie chart illustrating the dematerialization of shares. The chart is divided into two segments: a large grey segment representing 'Demat' at 98% and a small black segment representing 'Physical' at 2%. Labels with leader lines point to each segment.



➤ **Shareholding pattern of the Company as on 31<sup>st</sup> March, 2015**

Category	No. of shares	% holding
Promoters	4537189	75.00%
NRIs	56224	0.93%
Indian Institutions	525	0.01%
Nationalised Banks	Nil	Nil
Domestic Companies	479671	7.93%
Public Shareholders	974739	16.11%
Directors/ Relatives	1239	0.02%
Total	6049587	100.00%

➤ **Registered Office**

'Caravs', Room No. 28,  
15 Civil Lines, Jabalpur - 482 001 (M. P.)  
Ph.: (0761) 2678627

➤ **Address for Correspondence**

To the company:

(a) Narmada Gelatines Limited  
'Caravs', Room No. 28,  
15, Civil Lines, Jabalpur (M. P.) - 482 001

or

(b) Narmada Gelatines Limited  
P.O. Box No. 91,  
Jabalpur- 482001 (M.P.)

To the Registrar and Share Transfer Agents:

C B Management Services Pvt. Ltd.  
P-22 Bondel Road, Kolkata 700 019  
Phone: (033) 4011 6700, 2280  
Fax: (033) 4011 6739  
Email: rta@cbmsl.com

➤ **Plant Location**

Meergunj, Bheraghat Road, Jabalpur, M.P.

➤ **Transfer of Unclaimed amounts to Investor Education and Protection Fund**

Pursuant to Sections 124 and 125 of the Companies Act, 2013, all unclaimed / unpaid dividend, debenture interest as well as principal amount of debentures as at March 31, 2015 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government.

Shareholders/ debentureholders are hereby informed that the Company is statutorily required to transfer to the IEPF all unclaimed/unpaid dividend, debenture interest and interest on debentures as well as principal amount of debentures remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to the IEPF, no claim of the shareholder/ debentureholder shall lie against the Company or the IEPF.

The Investors are advised to claim the unencashed equity dividend / preference dividend money for the years 2007-08 to 2013-14 lying in the unclaimed accounts of the Company before the due dates (as indicated in the Notes to the Notice) for crediting the same to the Investor Education and Protection Fund.

During the financial year 2014-15, the Company has transferred the unclaimed Dividend on Equity Shares amounting to ₹ 52,275 and on 9% Cumulative Redeemable Preference Shares amounting to ₹ 1,83,537 for the year 2006-07 to the Investor Education and Protection Fund.



**CEO/ CFO Certificate under Clause 49(V)**

The Whole-Time Director and the Chief Financial Officer provide annual certification on the financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Whole-Time Director and the person heading the Accounts function also give quarterly certification on the financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate for the financial year ended 31<sup>st</sup> March, 2015, given by the Whole Time Director and Chief Financial Officer or Head of Finance and accounts of the Company is published hereunder:

To,  
The Board of Directors  
Narmada Gelatines Ltd.  
Jabalpur

Clause 49 sub-clause IX of the Listing Agreement Certificate for the year ended 31<sup>st</sup> March, 2015

Sir,

Pursuant to Clause 49 sub-clause V of the Listing Agreement, we hereby certify that, to the best of our knowledge and belief:

- A. That we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. That, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. That we have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Thanking you,

Sd/-

**Ashok K. Kapur**  
(Whole Time Director)

Sd/-

**Priya Gupta**  
(Chief Financial Officer)

Place : Jabalpur

May 20<sup>th</sup>, 2015

**Compliance Certificate of the Auditors**

Certificate from the Auditors of the Company, M/s. T.R. Chadha & Co. confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report.

On behalf of the Board of Directors

Place : Jabalpur  
Date : 27<sup>th</sup> May, 2015

Ravindra K Raje  
Director

Ashok K Kapur  
Whole-time Director



## **CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of  
NARMADA GELATINES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Narmada Gelatines Limited (the Company) for the year ended 31<sup>st</sup> March 2015, as stipulated in clause 49 of the Listing Agreement of the said Company, with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For T.R. Chadha & Co  
Chartered Accountant

Pravin Kumar Jabade  
Partner  
M. No.107196

Dated: May 27, 2015  
Place: Jabalpur



## INDEPENDENT AUDITOR'S REPORT

### The Members of Narmada Gelatines Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Narmada Gelatines Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015, (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent applicable to the company.
- As required by section 143(3) of the Act, we report that:
  - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
  - with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
    - the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For T.R Chadha & Co.**  
**Chartered Accountants**  
**Firm Regn. No: 006711N**

**Pravin Kumar Jabade**  
 (Partner)  
 Membership Number: 107196

Place: Jabalpur  
 Date: 27.05.2015



## Annexure to the Auditors' Report for the year ended March 2015

(Referred to in Paragraph 1 of our Report of even date)

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us, the Company has physically verified the fixed assets during the financial year 2013-14. As explained to us, the management verifies the fixed assets once in three years which, in our opinion is reasonable having regard to the size of the company and nature of the assets.
- (ii) (a) The inventories (except inventory in transit, the subsequent confirmation of which has been obtained) 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 inventories followed by the Company is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (iii) As informed to us, the Company has not granted any Loans, Secured or Unsecured to / from Companies, Firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, Clauses (iii) (a) and (b) of Para 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods. The activities of the Company do not involve the sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from public.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the goods manufactured by the Company.
- (vii) (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India, the Company has generally been regular in depositing its undisputed statutory dues in respect of Provident Fund, Employees State Insurance dues, Investor

Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities in India during the year.

- (b) The details of dues of Income Tax / Excise Duty / Sales Tax not deposited on account of dispute alongwith the amounts involved and the forum where dispute is pending are given as under:

Nature	Amount ₹ in Lacs	Forum at which pending
Income Tax	71.27	High Court
	32.63	Commissioner
Excise Duty	388.79	High Court
	76.57	CESTAT
	14.13	Commissioner / Additional Commissioner
Sales Tax	23.84	Commercial Tax Appellate Tribunal

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder have been transferred to such fund within timelimits prescribed.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For T.R Chadha & Co.**  
Chartered Accountants  
Firm Regn. No: 006711N

**Pravin Kumar Jabade**  
(Partner)  
Membership Number: 107196

Place: Jabalpur  
Date: 27.05.2015



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

Amount (₹ lacs)

	Notes	As at	
		31st March 2015	31st March 2014
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	605.03	403.38
Reserves & Surplus	4	9806.80	8766.33
		10411.83	9169.71
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	5	494.56	472.28
<b>Current Liabilities</b>			
Short-term borrowings	6	115.07	156.15
Trade Payables	7	397.33	574.17
Other Current Liabilities	8	260.92	189.03
Short-term Provisions	9	350.05	360.33
<b>TOTAL</b>		<b>12029.76</b>	<b>10921.67</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
Tangible Assets		2314.17	2399.52
Intangible Assets		3.04	4.67
Capital Work in Progress		-	-
Non-Current Investments	11	743.31	225.00
Long Term Loans & Advances	12	108.16	105.08
<b>Current Assets</b>			
Current Investments	13	1990.00	2237.83
Inventories	14	3692.26	3033.01
Trade Receivable	15	1490.50	1439.00
Cash & Bank Balances	16	1459.35	1181.13
Short-term loans and advance	17	174.95	242.37
Other Current Assets	18	54.02	54.06
<b>TOTAL</b>		<b>12029.76</b>	<b>10921.67</b>

**SIGNIFICANT ACCOUNTING POLICIES & NOTES** 1 to 35  
**ON FINANCIAL STATEMENTS**

The notes referred to above form an integral part of the financial statements. This is the Balance Sheet referred to in our Report of even date.

**T.R.CHADHA & CO.**  
Chartered Accountants  
Firm Reg. No. 006711N

**For and on behalf of the Board**

**Pravin Kumar Jabade**  
Partner  
M.No. 107196

**Priya Gupta**  
Chief Financial Officer

**Mahesh Verma**  
Company Secretary

**Ravindra K Raje**  
Director

**Ashok K Kapur**  
Wholtime Director

Jabalpur, 27th May, 2015



## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

		Amount (₹ lacs)		
Particulars	Notes	Year ended 31st March 2015	Year ended 31st March 2014	
<b>INCOME</b>				
I	Revenue from Operations	19	13429.18	13045.52
II	Other Income	20	316.32	259.61
III	<b>Total Revenue (I+II)</b>		<u>13745.50</u>	<u>13305.13</u>
<b>IV EXPENDITURE</b>				
	Cost of Materials Consumed	21	7527.39	6695.71
	Change in Inventories of Finished goods and Work-in Progress (Increase) / Decrease	22	(585.91)	(342.88)
	Employees benefits expense	23	1075.76	1031.10
	Finance cost	24	12.67	5.51
	Depreciation and amortization expense	25	127.15	189.90
	Other expenses	26	3281.51	3240.20
	CSR Expenditure	33	41.75	
	<b>Total expenses</b>		<u>11480.32</u>	<u>10819.54</u>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		2265.18	2485.59
VI	<b>Extraordinary Items [Refer Note No. 10(iv)]</b>		75.22	
VII	<b>Profit before tax</b>		2340.40	2485.59
<b>VIII Tax Expense</b>				
	Current Year / Earlier Tax		767.65	740.00
	Deferred Tax		22.28	119.17
	<b>Profit after taxation</b>		<u>1550.47</u>	<u>1626.42</u>
<b>Earning per Equity Share of Face Value of ₹ 10 each.</b>				
	Basic and Diluted Earnings per Share (₹)	31	25.63	26.88
<b>SIGNIFICANT ACCOUNTING POLICIES NOTES ON FINANCIAL STATEMENTS</b>		<b>1 to 35</b>		

The notes referred to above form an integral part of the financial statements. This is the Statement of Profit & Loss Account referred to in our Report of even date.

**T.R.CHADHA & CO.**  
Chartered Accountants  
Firm Reg. No. 006711N

For and on behalf of the Board

**Pravin Kumar Jabade**  
Partner  
M.No. 107196

**Priya Gupta**  
Chief Financial Officer

**Mahesh Verma**  
Company Secretary

**Ravindra K Rajee**  
Director

**Ashok K Kapur**  
Wholetime Director

Jabalpur, 27th May, 2015



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

	Amount (₹ lacs)	
	Year Ended 31st March 2015	Year Ended 31st March 2014
<b>A. Cash Flow from Operating Activities :</b>		
Net profit before tax	2265.18	2485.59
Adjustments for :		
Depreciation	127.15	189.90
Interest Income	(117.86)	(116.03)
Dividend on Mutual Funds	-	(0.33)
Profit on redemption of Investments	(152.28)	(111.40)
Interest Expenses	10.62	6.28
Loss/(Profit) on Impairment/sale of fixed assets	(1.67)	-
Sundry Debit Balances Written off	0.81	2.91
Provision for liability no longer required	(3.43)	2.81
Sundry balances written back	(13.97)	0.00
Provision for doubtful debts	20.71	0.00
Others	-	(1.98)
Net unrealised exchange (gain) / loss	(4.04)	(6.84)
	<u>(133.95)</u>	<u>(34.67)</u>
<b>Operating profit before working capital changes</b>	<b>2131.23</b>	<b>2450.92</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade and other receivables	(51.50)	(158.58)
(Increase)/Decrease in Inventories	(659.25)	(529.10)
(Increase)/Decrease in Long Term loans & advances	(3.08)	0.94
(Increase)/Decrease in Short Term loans & advances	67.42	(75.28)
(Increase)/Decrease in other Current Assets	0.04	(3.37)
Increase/(Decrease) in Trade Payables	(176.84)	41.10
Increase/(Decrease) in Short Term provisions	(10.28)	19.72
Increase/(Decrease) in Other Current Liabilities	71.89	5.00
	<u>(761.60)</u>	<u>(699.57)</u>
<b>Cash generated from operations</b>	<b>1369.63</b>	<b>1751.35</b>
Direct Taxes paid	(778.76)	(710.69)
	<u>(778.76)</u>	<u>(710.69)</u>
<b>Net Cash from operating activities (A)</b>	<b>590.87</b>	<b>1040.66</b>
<b>B. Cash Flow from Investing Activities :</b>		
Sale of Fixed Assets	10.02	-
Compensation for compulsory acquisition of Land & Buildings	75.64	-
Purchase of Fixed Assets & Capital WIP	(103.02)	(71.63)
Profit on redemption of Investments	143.97	111.40
Investment in Mutual Funds	(270.48)	(1188.15)
Dividend on Mutual Funds	-	0.33
Interest received	117.86	116.03
	<u>(26.01)</u>	<u>(1032.03)</u>
<b>Net Cash used in Investing Activities (B)</b>	<b>(26.01)</b>	<b>(1032.03)</b>

Contd.



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015 (Continued)

	Amount (₹ lacs)	
	Year Ended 31st March 2015	Year Ended 31st March 2014
<b>C. Cash Flow from Financing Activities:</b>		
Dividend including tax thereon paid	(235.92)	(235.92)
Net Increase/(Decrease) in Short term borrowings	(41.08)	135.58
Interest Paid	(9.64)	(6.28)
	(286.64)	(106.62)
<b>Net Cash used in Financing Activities (C)</b>	<b>(286.64)</b>	<b>(106.62)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>278.22</b>	<b>(97.99)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>1181.13</b>	<b>1279.12</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>1459.35</b>	<b>1181.13</b>

**Notes:**

- (a) The above Cash Flow Statement has been prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3), issued by the Institute of Chartered Accountants of India.
- (b) Cash and Cash Equivalents represent :

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
Cash and Cheques in Hand	9.96	5.21
Remittance in Transit	17.03	10.93
Balance with Scheduled Banks	1432.36	1164.99
Refer Note No.16(i)		

(c) Previous year's figures have been regrouped / rearranged, wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date.

**T.R.CHADHA & CO.**  
Chartered Accountants  
Firm Reg. No. 006711N

**For and on behalf of the Board**

**Pravin Kumar Jabade**  
Partner  
M.No. 107196

**Priya Gupta**  
Chief Financial Officer

**Mahesh Verma**  
Company Secretary

**Ravindra K Raje**    **Ashok K Kapur**  
Director                      Wholetime Director

Jabalpur, 27th May, 2015





## NOTES ON FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

**Narmada Gelatines Ltd.** was set up in 1961 and is registered in Jabalpur (Madhya Pradesh) under Registration number L24111MP1961PLCO16023. The Registered office of the Company is at 28, CARAVS, 15 Civil Lines, Jabalpur (M.P.). The Company is engaged in the manufacture and sale of ossein and gelatine.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The financial statements have been prepared on accrual basis under the historical cost convention except for income on investments in shares of companies and Mutual Funds.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### (ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### (iii) Fixed Assets

(a) **Tangible Fixed assets:** The gross block of Fixed Assets is stated at cost of acquisition or construction (except revalued assets) including any cost attributable to bringing the assets to their working condition for their intended use. Borrowing costs that are directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time till such assets are ready for the intended use are capitalized.

Freehold land, Buildings, Plant and Machinery and Electrical Installations were revalued as at 31.3.1993

by an approved valuer at the then net replacement cost and are stated accordingly.

(b) **Intangible Fixed assets :** Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.

#### (iv) Depreciation / Amortisation

- a) Depreciation is provided on the basis of the useful lives of the assets as estimated by management in the manner prescribed under Section 123 read with Schedule II of the Companies Act, 2013.
- b) Depreciation on certain Buildings acquired prior to 1st July 1986 is charged under Written Down Value method and on others under Straight Line method.
- c) Being a continuous plant, Depreciation on Plant and Machinery is charged based on the useful lives of the assets, as estimated by management, under Straight Line method on single shift basis excepting certain items acquired before 1st July, 1986 on which depreciation is charged under Written Down Value method. Depreciation on Diesel Generator sets is charged under Straight Line Method.
- d) Depreciation on Electrical Installations and Furniture & Fixtures is charged under Written Down Value method.
- e) Depreciation on Motor Vehicles is charged under Straight Line method.
- f) In respect of revalued assets, the incremental depreciation on account of revaluation is recouped from Revaluation Reserve.
- g) Intangible assets are amortised over their estimated useful economic life under Straight Line method. Computer software cost is amortised over a period of five years.

#### (v) Investments

Non-Current investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

Current investments are carried at lower of cost and fair / market value.

#### (vi) Inventories

Inventories are stated at cost (net of CENVAT credit) or net realisable value, whichever is lower. Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and



## NOTES ON FINANCIAL STATEMENTS

consistent basis. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

### (vii) Research and Development Expenses

All revenue expenditure on research and development are written off in the year they are incurred. Capital expenditure on research and development is included in fixed assets and depreciated as per policy.

### (viii) Revenue Recognition

- a) Sale of goods is recognised when the significant risk and rewards of ownership is transferred to the customer. Sales represents invoiced value of goods supplied, net of returns, including excise duty but excluding sales tax.
- b) Revenue recognition from sale of "Duty Entitlement Passbook Licence" is made on sale of the licence after receipt of the same from the office of the Director General of Foreign Trade.
- c) Income from Duty Drawback is recognised on receipt basis.

### (ix) Income from Investments

Income from Investments (other than investments in shares of companies and Mutual Funds) is accounted on an accrual basis. Income from investment in shares of companies is recognised as and when the right to receive such income is established.

### (x) Foreign Currency Transactions

- a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the Profit and Loss Account.
- b) Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

### (xi) Employee Benefits

Contributions to defined contribution schemes such as Pension, Provident Fund, etc. are charged to the Profit and Loss account as and when incurred.

The Company also provides for retirement/ post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss account based on valuations made by independent actuaries, as at the balance sheet date.

### (xii) Voluntary Retirement Scheme Expenses

Voluntary Retirement Scheme Expenses are fully charged off in the year of payment.

### (xiii) Accounting for Taxes

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is tax recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward losses, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

### (xiv) Impairment of Assets

Impairment losses (if any) on fixed assets (including revalued assets) are recognized in accordance with the Accounting Standard "Impairment of Assets" issued in this regard by the Institute of Chartered Accountants of India. If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

### (xv) Provision and Contingent Liabilities

Provisions are recognized when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

The same is disclosed as contingent liability if no reliable estimate can be made of the amount of obligation or the possibility of future cash flow is remote.



## NOTES ON FINANCIAL STATEMENTS

Amount (₹ lacs)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,000 Equity Shares of ₹ 10/- each	1000.00	1000.00
1,00,00,000 9% Cumulative Redeemable Preference Shares of ₹ 10/- each.	1000.00	1000.00
	<u>2000.00</u>	<u>2000.00</u>
<b>Issued, Subscribed and Paid up</b>		
60,49,587 Equity Shares (Previous year 40,33,058) of ₹ 10/- each, fully paid	604.96	403.31
Forfeited Shares	0.07	0.07
<b>Total</b>	<u><u>605.03</u></u>	<u><u>403.38</u></u>

**Notes :****(1) Of the above Equity Shares:**

- (a) 5,96,020 Equity Shares(\*) were allotted as fully paid up by way of bonus shares by capitalisation of Capital Redemption Reserve and General Reserve in 1994-95.
- (b) 46,650 Equity Shares (\*) were allotted as fully paid up for consideration other than cash, pursuant to a contract. \*some of these shares (numbers not ascertainable since shares are in demat form) stand cancelled as per the Scheme of arrangement approved by Calcutta High Court on 6th May, 2003.
- (c) 20,16,529 Equity Shares were allotted as fully paid up by way of bonus shares by capitalisation of Capital Redemption Reserve (₹148.61 Lac) and Securities Premium (₹ 53.04 Lac) in 2014-15.

**(2) Reconciliation of the number of shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:**

Particulars	No. of Shares	Amount
Equity shares with voting rights as on 01.04.2014	4033058	40330580
Add: Bonus Shares issued during the year	2016529	20165290
Equity shares with voting rights as on 31.03.2015	6049587	60495870

**(3) Terms/rights attached to equity shares:**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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 31 March 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.50 (31 March 2014: ₹ 5.00).

**(4) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**

Particulars	Equity shares with voting rights and Numbers of Shares	
	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014
Alfamont ( Mauritius) Limited, the holding company (The increase is to the extent of issue of Bonus Shares)	4537189	3024793

**(5) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held is as given below:**

Name of the Shareholder	31 <sup>st</sup> March 2015		31 <sup>st</sup> March 2014	
	%	Number of Shares	%	Number of Shares
Alfamont ( Mauritius) Limited	75	4537189	75	3024793



## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)			
	As at		As at	
	31st March 2015		31st March 2014	
<b>4. RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>		7.51		7.51
<b>Securities Premium Account</b>	478.41		478.41	
Less: Utilised for Issuance of Bonus Shares	53.04	425.37	-	478.41
<b>Revaluation Reserve</b>				
As per last Balance Sheet	90.15		94.56	
Less: Deduction on account of recoupment of depreciation for the year attributable to revaluation (Refer Note 4(i) and 4(iii))	6.47		-	
Deduction on account of impairment / sale of certain assets (Refer Note 4(ii) & 4(iii) below)	26.46	57.22	4.41	90.15
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet	148.61		148.61	
Less: Utilised for Issuance of Bonus Shares	148.61	0.00	-	148.61
<b>General Reserve</b>				
As per last Balance Sheet	1910.85		1748.21	
Add: Transferred from Profit & Loss Account	155.04		162.64	
Transferred from Revaluation Reserve (Recoupment of Current Year Depreciation)	6.47	2072.36	-	1910.85
<b>Surplus</b>				
Opening Balance	6130.80		4902.95	
Add: Net profit / (loss) for the current period	1550.47		1626.41	
Amount available for appropriation	7681.27		6529.36	
Appropriations:				
Less: Adjustment of Fixed Assets [refer Note 10(v)]	27.82			
Transfer to general reserve	155.04		162.64	
Proposed Dividend on Equity Shares	211.74		201.65	
Tax on proposed dividend	42.33		34.27	
Closing Balance		7244.34		6130.80
<b>Total</b>		<b>9806.80</b>		<b>8766.33</b>

4(i) Pursuant to an alignment with the requirement of the Companies Act, 2013, the Company has charged off the depreciation on account of revaluation as an expense to the profit and loss account to the tune of ₹ 6.47 Lac. The same is recouped from the revaluation reserve to general reserve as per the Application Guide on the provisions of Schedule II to Companies Act, 2013 issued by the Institute of Chartered Accountants of India. The amount reduced from revaluation reserve during the previous financial year was ₹ 4.41 Lac on account of depreciation (not charged to profit and loss account as per extant provisions for the previous financial year)

4(ii) Other deductions from Revaluation Reserve comprises of ₹ 1.96 lacs towards acquisition of land by the Central Government as referred in notes to Note 10., ₹ 24.36 lacs balance revaluated amount relating to assets whose remaining useful life exhausted as on 01.04.2014 and ₹ 0.14 lacs balance revaluation amount relating to buildings demolished.

4(iii) Cumulative amount withdrawn from revaluation reserve on account of depreciation on Revalued assets is ₹ 1052.45 lacs



## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liability comprises of following:</b>		
<b>Deferred Tax Liability</b>		
Unabsorbed Depreciation on Fixed Assets	508.14	494.79
<b>Deferred Tax Assets</b>		
Disallowance as per Section 43B and Section 40(a) of the Income Tax Act, 1961	-	15.96
Provision for doubtful debts	13.58	6.55
	<u>13.58</u>	<u>22.51</u>
<b>Net Deferred Tax Liability</b>	<u><u>494.56</u></u>	<u><u>472.28</u></u>
<b>6. SHORT TERM BORROWINGS</b>		
<b>Bank Overdraft</b>		
Secured against Fixed Deposits	115.07	156.15
<b>Total</b>	<u><u>115.07</u></u>	<u><u>156.15</u></u>
<b>7. TRADE PAYABLES</b>		
<b>Micro, Small and Medium Enterprises</b>	27.72	47.20
<b>Other Trade Payables</b>	369.61	526.97
<b>Total</b>	<u><u>397.33</u></u>	<u><u>574.17</u></u>

The details for Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as on 31st March, 2015 are as follows.

**Particulars**

Principal Amount due and remaining unpaid	-	9.32
Interest due on above and the unpaid interest	-	0.23
Interest paid	-	-
Payment made beyond appointed date during the year	78.17	56.05
Interest due and payable for the period of delay	0.98	1.00
Interest accrued and remaining unpaid	-	1.23
Amount of further interest remaining due and payable in succeeding years	-	-

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>8. OTHER CURRENT LIABILITIES</b>		
Unclaimed Dividend*	15.46	12.83
Unclaimed 9% Preference Share Redemption Account**	20.92	21.09
Capital Creditors	0.67	-
Statutory remittances	118.95	72.82
Trade & Security Deposits received	9.32	9.20
Advance from Customers	82.30	58.72
Other Liabilities***	13.30	14.37
<b>Total</b>	<b>260.92</b>	<b>189.03</b>

\*These amounts will be transferred to the Investor Education and Protection Fund upon the same becoming due after seven years in terms of sub section (5) of Section 124 of the Companies Act, 2013.

\*\*The remaining amount unclaimed out of redemption of 9% Cumulative Redeemable Preference Shares redeemed in three equal instalments on 08.08.2006, 08.08.2007 and 08.08.2008.

\*\*\* Includes Retention Money and Group Insurance Premium payable

## 9. SHORT TERM PROVISIONS

## (a) Provision for employee benefits:

Provision for Gratuity (Refer Note 23.1)	28.37	15.96
Provision for Leave Encashment (Refer Note 23.1)	11.14	46.95
Provision for Bonus	23.78	24.79

## (b) Provision - Others

Provision for Income tax	19.71	23.73
[net of Advance Tax ₹ 3550.65 lacs (Previous year net of Advance tax ₹ 3392.50 lacs)]		
Provision for Excise Duty*	12.98	12.98
Proposed Dividend on Equity Shares	211.74	201.65
Tax on Dividend	42.33	34.27
<b>Total</b>	<b>350.05</b>	<b>360.33</b>

\*Provision made for Excise duty payable due to reversal of Cenvat Credit for earlier periods.



**NOTES ON FINANCIAL STATEMENTS**

Amount (₹ lacs)

**10. FIXED ASSETS**

Assets	Gross Block at cost / Revalued value			Depreciation			Net Block		
	As at 1st April 2014	Additions	Adjustment/ Deletion	As at 31st March 2015	As at 1st April 2014	Adjustment/ Deletion	For the Year	As at 31st March 2015	As at 31st March 2014
<b>Tangible:</b>									
Freehold Land	119.28	0.00	1.85	117.43	0.00	0.00	0.00	117.43	119.28
Buildings	544.05	10.89	287.10	267.84	390.07	235.39	11.70	101.46	153.98
Plant and Machinery	5073.57	86.71	145.40	5014.88	2985.90	137.25	99.10	2067.13	2087.68
Furniture and Fittings	16.27	1.68	12.52	5.43	15.04	12.45	0.82	2.02	1.23
Computer & Office Equipments	70.61	3.05	54.43	19.23	62.22	53.66	5.03	5.64	8.39
Electrical Installations	60.71	0.00	19.06	41.65	31.75	18.71	8.12	20.49	28.96
<b>Total</b>	<b>5884.49</b>	<b>102.33</b>	<b>520.36</b>	<b>5466.46</b>	<b>3484.98</b>	<b>457.46</b>	<b>124.77</b>	<b>3152.29</b>	<b>2399.52</b>
<b>Intangible:</b>									
Computer Software	5.84	0.76	0.00	6.60	1.17	0.00	2.39	3.04	4.67
<b>Total</b>	<b>5.84</b>	<b>0.76</b>	<b>0.00</b>	<b>6.60</b>	<b>1.17</b>	<b>0.00</b>	<b>2.39</b>	<b>3.04</b>	<b>4.67</b>
<b>Grand Total</b>	<b>5890.33</b>	<b>103.09</b>	<b>520.36</b>	<b>5473.06</b>	<b>3486.15</b>	<b>457.46</b>	<b>127.16</b>	<b>3155.85</b>	<b>2404.19</b>
Previous Year	5760.35	129.98	0.03	5890.30	3291.84	0.00	194.31	3486.14	2404.19

- (i) Freehold Land, Buildings, Plant & Machinery and Electrical Installations were revalued on 31.3.1990 and 31.3.1993 by an approved valuer at the then net replacement cost. The appreciation in value of these assets over their book value has been credited to Revaluation Reserve.
- (ii) Addition in Plant and machinery includes ₹ 1.85 lacs (previous year - Nil) incurred at Company's inhouse R&D facilities at factory are eligible for weighted deduction under section 35(2AB) of the Income Tax act, 1961.
- (iii) The company has identified the Gelatine manufacturing division as its cash-generating unit (CGU) as required by Accounting Standard AS-28 "Impairment of Assets" issued by The Institute of Chartered Accountants of India. There are no primary indications that the recoverable amount of CGU is less than its carrying cost. Accordingly, no detailed exercise has been done to calculate the amount of impairment loss. During the year ended 31st March 2015, the company does not consider any item of fixed assets as obsolete and impaired and therefore there is no charge to Profit and Loss Account on account of the same (Previous Year - Nil).
- (iv) Deletion to Land of ₹ 1.85 lacs and buildings ₹ 1.57 lacs pertains to acquisition of 1.26 acres by the Central Government for building (widening / four-laning, etc), maintenance, management and operation of National Highway (NH-12). The Company has received compensation of ₹ 54.49 lacs towards Land and ₹ 21.16 lacs towards buildings situated on that land resulting in a surplus of ₹ 75.22 lacs.
- (v) Depreciation expenditure has been recalculated adopting useful life of assets as prescribed under Schedule II of the Companies Act, 2013 applicable from 1st April, 2014. Some of the assets useful life exhausted as on 1.04.2014, the WDV net of residual value amounting to ₹ 27.82 lacs has been adjusted against retained earnings.
- (vi) Gross Block includes assets revalued based on the reports issued by the Valuer, as per details given below:

Assets	Revalued on 31.03.1990	Revalued on 31.03.1993	Amount Credited to Revaluation Reserve	Present Balance in Revaluation Reserve as on 31.03.2015
Land	22.65	27.00	49.65	47.81
Buildings	136.73	158.99	295.72	7.72
Plant & Machinery		755.71	755.71	1.69
Electrical Installations		8.58	8.58	0
	<b>159.38</b>	<b>950.28</b>	<b>1109.66</b>	<b>57.22</b>



## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>11. NON-CURRENT INVESTMENTS</b>		
(Not intended to be realised within 12 months from the reporting date)		
<b>Quoted - Non-trade</b>		
<b>Investments in Mutual Funds (at cost)</b>		
IDFC Fixed Term Plan Series - 34 (1000000 units of ₹ 10.00 each)	100.00	-
HDFC FMP 370D August 2013 (1) Series 26 (1000000 units of ₹ 10.00 each)	100.00	-
IDFC Super Saver Income Fund - Medium Term - Growth (495889.079 units of ₹ 20.16 each)	100.00	-
ICICI Prudential Short Term Fund (395860.87 units of ₹ 25.26 each)	100.00	-
HDFC FMP 435Days March 2014 (I) (1100000 units of ₹ 10.00 each)	110.00	-
UTI Fixed Term Income Fund-Series XVII-XVIII (1250000 units of ₹ 10.00 each)	125.00	125.00
UTI FMP Regular Plan 03/14 - Growth Option (1000000 units of ₹ 10.00 each)	100.00	100.00
Birla Sunife Interval Income Fund Annual Plan V (368 days) Growth Option (76415.914 units of ₹ 10.87 each)	8.31	
<b>Total</b>	<b>743.31</b>	<b>225.00</b>
(i) Aggregate amount of quoted investments	743.31	225.00
(ii) Market Value of quoted investments (based on Net Asset Value declared by Mutual Fund as on 31.3.2015)	841.59	326.64
<b>12. LONG TERM LOANS AND ADVANCES (Unsecured)</b>		
<b>Considered Good</b>		
Security Deposits with Government and other bodies	0.08	0.08
Electricity and other deposits	108.08	105.00
<b>Total</b>	<b>108.16</b>	<b>105.08</b>
<b>13. CURRENT INVESTMENTS</b>		
(Realisable within 12 months)		
<b>Quoted - Non-trade</b>		
<b>Investments in Mutual Funds</b>		
(Valued at Cost or NAV, whichever is less)		
ICICI Prudential Income-Regular Plan -Growth (247475 units of ₹ 40.41 each)	100.00	-
IDFC Super Saver Income Fund-Investment Plan-Regular Growth (320088 units of ₹ 31.24 each)	100.00	-
Reliance Dynamic Bond Fund Growth Plan (1115306 units of ₹ 17.93 each)	200.00	-





## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>13. CURRENT INVESTMENTS : Contd.</b>		
ICICI Prudential Income-Regular Plan Growth (120514 units of ₹ 41.49 each)	50.00	-
IDFC Super Saver Income Fund -Inv Plan-Growth-Regular Plan (155499 units of ₹ 32.15 each)	50.00	-
Reliance Dynamic Bond Fund Growth Plan (556393 units of ₹ 17.97 each)	100.00	-
Birla Sunlife Income Plus , Regular Plan Growth Option (337104 units of ₹ 59.33 each)	200.00	-
IDFC Super Saver Income Fund -Inv Plan-Growth-Regular Plan (301580 units of ₹ 33.16 each)	100.00	-
ICICI Prudential Income-Regular Plan -Growth (233791 units of ₹ 42.77 each) (Realisable within 12 months)	100.00	-
IDFC Super Saver Income Fund - Medium Term - Growth Regular Plan (600833 units of ₹ 23.30 each)	140.00	-
BSL Dynamic Bond Fund-Retail-Growth Fund-Regular Plan (413102 units of ₹ 24.21 each)	100.00	-
Reliance Short Term Fund-Growth Plan-Growth Option (579202 units of ₹ 25.89 each)	150.00	-
ICICI Prudential Short Term Fund Regular Plan Growth Option (352781 units of ₹ 28.35 each)	100.00	-
BSL Dynamic Bond Fund-Retail-Growth Fund-Regular Plan (410016 units of ₹ 24.39 each)	100.00	-
Reliance Short Term Fund-Growth Plan-Growth Option (381589 units of ₹ 26.21 each)	100.00	-
ICICI Prudential Short Term Fund Regular Plan Growth Option (349290 units of ₹ 28.63 each)	100.00	-
Birla Sunlife Income Plus , Regular Plan Growth Option (158477 units of ₹ 63.10 each)	100.00	-
Reliance Income Fund -Retail - GP - Bonus Option (330232.814 units of ₹ 11.35 each)	-	37.50
IDFC Fixed Term Plan Series -34 (1000000 units of ₹ 10.00 each)	-	100.00
Birla Sun Life Fixed Term Plan - Series IA (366 days) (1000000 units of ₹ 10.00 each)	-	100.00
HDFC FMP 370D August 2013 (1) Series 26 (1000000 units of ₹ 10.00 each)	-	100.00
IDFC Super Saver Income Fund - Medium Term - Growth (495889.079 units of ₹ 20.1658 each)	-	100.00
ICICI Prudential FMP Series 70 -369 days Plan - O (1000000 units of ₹ 10.00 each)	-	100.00
Reliance Fixed Horizon Fund - XXIV- Series 23-371 Days (1000000 units of ₹ 10.00 each)	-	100.00



**NOTES ON FINANCIAL STATEMENTS**

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>13. CURRENT INVESTMENTS : Contd.</b>		
Reliance Fixed Horizon Fund - XXIV- Series 25-367 days (2000000 units of ₹ 10.00 each)	-	200.00
ICICI Prudential FMP Series 72-368 Days Plan A (2000000 units of ₹ 10.00 each)	-	200.00
IDFC FTP Series-65 (369 days) (1400000 units of ₹ 10.00 each)	-	140.00
Reliance Fixed Horizon Fund - XXV- Series 18 (1500000 units of ₹ 10.00 each)	-	150.00
Birla Sunlife FTP Series JZ(368 days) (1000000 units of ₹ 10.00 each)	-	100.00
ICICI Prudential FMP Series 72-366 Days Plan M (1000000 units of ₹ 10.00 each)	-	100.00
ICICI Prudential Short Term Fund (395860.87 units of ₹ 25.26 each)	-	100.00
ICICI Prudential FMP Series 73 - Plan G (1000000 units of ₹ 10.00 each)	100.00	100.00
HDFC FMP 435Days March 2014 (I) (1100000 units of ₹ 10.00 each)	-	100.00
Birla Sunife Interval Income Fund Annual Plan V (368 days) Growth Option (919159.88 units of ₹ 10.79 each)	-	110.00
Reliance Fixed Horizon Fund XXVI Series 6 366 days Plan Growth Option (1000000 units of ₹ 10.00 each)	-	100.00
ICICI Prudential FMP Series 73-369 days Plan P (1000000 units of ₹ 10.00 each)	-	100.00
Birla Sunlife FMP Series KY 369 days Regular Plan Growth Option (1000000 units of ₹ 10.00 each)	-	100.00
IDFC Cash Fund Daily Dividend -Regular Plan (32.708 units of ₹ 1000.00 each)	-	0.33
<b>Total</b>	<b>1,990.00</b>	<b>2,237.83</b>
(i) Aggregate amount of quoted investments	1,990.00	2,237.83
(ii) Market Value of quoted investments (based on Net Asset Value declared by Mutual Fund as on 31.3.2015)	2,065.20	2,191.61
<b>14. INVENTORIES</b> (at lower of cost and net realisable value)		
Raw Materials	1069.89	1158.99
Stock in Process	1251.85	1121.98
Finished Goods	944.17	488.13
[includes in transit ₹ 93.17 lacs (Prev. Year: ₹ 181.62 lacs)]		
Stores & Spare Parts	426.35	263.91
<b>Total</b>	<b>3692.26</b>	<b>3033.01</b>



## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)	
	As at 31st March 2015	As at 31st March 2014
<b>15. TRADE RECEIVABLES (Unsecured)</b>		
<b>Receivables outstanding for a period exceeding six months</b>		
Considered good	0.14	0.63
Considered doubtful	31.86	19.26
<b>Other Receivables</b>		
Considered good	1490.36	1438.37
Considered doubtful	8.11	-
	<b>1530.47</b>	<b>1458.26</b>
Less: Provision for doubtful debts	39.97	19.26
<b>Total</b>	<b>1490.50</b>	<b>1439.00</b>
<b>16. CASH &amp; BANK BALANCES</b>		
Cash and Cheques in Hand	9.96	5.21
Balances with Banks in		
Current Account	272.10	68.4
Margin Deposit	-	50
Fixed Deposit ( <i>Refer Note i &amp; ii below</i> )	1123.88	1012.67
Unclaimed Dividend Account	15.46	12.83
9% Preference Shares Redemption Account	20.92	21.09
Others - Remittances in Transit	17.03	10.93
<b>Total</b>	<b>1459.35</b>	<b>1181.13</b>
16(i) Fixed Deposit with banks include ₹ 652.89 lacs (Prev. Year ₹ 614.43 lacs) on which lien has been marked for availing overdraft facility from banks. The overdraft outstanding as on 31.3.2015 was ₹ 115.07 Lac (Prev. Year ₹ 156.15 Lac)		
16(ii) Fixed deposits with banks include deposits of ₹ 150 lacs (Previous Year ₹ 140 lacs) with maturity of more than 12 months		
<b>17. SHORT- TERM LOANS AND ADVANCES (Unsecured)</b>		
<b>Considered Good</b>		
Loans and advances to employees	19.32	14.32
Prepaid expenses	9.83	14.35
Balance with government authorities	62.95	70.57
Other loans and advances	82.85	143.13
<b>Total</b>	<b>174.95</b>	<b>242.37</b>
17(i) In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions are made for all the expected liabilities.		
<b>18. OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	54.02	54.06
<b>Total</b>	<b>54.02</b>	<b>54.06</b>



## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)	
	Year ended 31st March 2015	Year ended 31st March 2014
<b>19. REVENUE FROM OPERATIONS</b>		
(i) <b>Sale of Products</b>		
<b>Manufactured Goods</b>		
Gelatine	10,718.11	9,672.09
DCP - Animal Feed Grade	3,017.12	3,466.51
Ossein	719.21	890.36
Bone Meal Products	32.45	16.96
	<b>14,486.89</b>	<b>14,045.92</b>
Less: Excise Duty*	1,057.71	1,000.40
<b>Net Sales</b>	<b>13,429.18</b>	<b>13,045.52</b>
*Excise Duty deducted from Gross sales represents the Excise Duty paid on Goods removed from the Factory and is net of provisions of Excise duty on closing stock at factory.		
(ii) <b>Earning in Foreign Exchange (included in sale of products)</b>		
Export of goods on F.O.B. basis	484.62	466.56
<b>20. OTHER INCOME</b>		
(i) <b>Operating Income</b>		
Sale of Scrap / Coal Ash	19.45	17.07
Duty Drawback	3.26	3.15
Other Income	17.76	4.79
Foreign Exchange Gain	4.04	6.84
	<b>44.51</b>	<b>31.85</b>
(ii) <b>Non-Operating Income</b>		
Interest Income (Gross)		
From Banks	101.95	102.47
From Others	15.91	13.56
[Tax Deducted at source ₹ 10.82 lacs (Previous Year ₹ 10.69 lacs)]		
Dividend on Mutual Funds	-	0.33
Net gain on Redemption of Mutual Fund Investments	152.28	111.40
Net profit on sale of Assets	1.67	-
	<b>271.81</b>	<b>227.76</b>
<b>Total</b>	<b>316.32</b>	<b>259.61</b>
<b>21. COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw Material	1,158.99	966.63
Add : Purchases	7,438.29	6,888.08
	8,597.28	7,854.71
Less : Closing Stock	1,069.89	1,158.99
<b>Total</b>	<b>7,527.39</b>	<b>6,695.72</b>



**NOTES ON FINANCIAL STATEMENTS**

	Amount (₹ lacs)	
	Year ended 31st March 2015	Year ended 31st March 2014
<b>21.1 Particulars of Raw Materials Consumed</b>		
Crushed Bones	6,254.92	5,580.43
Hydrochloric Acid	466.80	423.00
Others	805.67	692.28
<b>Total</b>	<b>7,527.39</b>	<b>6,695.71</b>
<b>22. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS (INCREASE) / DECREASE</b>		
Closing Stocks		
Finished Goods	944.17	488.13
Stock in Process	1,251.85	1,121.98
Opening Stocks		
Finished Goods	488.13	491.04
Stock in Process	1,121.98	776.20
<b>Net (Increase) / decrease</b>	<b>(585.91)</b>	<b>(342.87)</b>
<b>22.1 Particulars of Finished Goods Inventories</b>		
Gelatine	897.22	392.73
Ossein	34.13	71.06
Di-calcium Phosphate	12.81	24.34
<b>Total</b>	<b>944.16</b>	<b>488.13</b>
<b>23. EMPLOYEE BENEFIT EXPENSE</b>	940.48	872.18
Salaries, Wages and Bonus	96.84	120.09
Contribution to Provident & Other Funds	38.44	38.83
Workmen & Staff Welfare	1075.76	1031.10
<b>Total</b>		

**23.1 As per Accounting Standard 15 “Employee Benefits”, the disclosures of Employee Benefits as defined in the Accounting Standard are given below:**

**Defined Contribution Plans:**

**PROVIDENT FUND**

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the Profit and Loss Account for the year:

	Year ended 31st March 2015	Year ended 31st March 2014
Contribution to Provident Fund	57.65	57.19



## NOTES ON FINANCIAL STATEMENTS

### Defined Benefit Plans :

- a. Gratuity
- b. Leave Encashment

Gratuity is payable to employees as per Payment of Gratuity Act. Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy. The company has funded the Gratuity liability with Group Gratuity Scheme of Life Insurance Corporation of India Ltd. The Leave encashment liability is funded with Group Leave Encashment Scheme of Life Insurance Corporation of India Ltd.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

### GRATUITY

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Discount Rate per annum (Compound)	7.77%	8.00%
Rate of increase in Salaries	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.75%	8.75%
Expected Average remaining working lives of employees in no. of years	Officers -11.64 Staff - 7.22	Officers -12.12 Staff - 6.75

### Summary of Key Information - Gratuity

#### i. Changes in Defined Benefit Obligation: Amount (₹ lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Present Value of obligation 01.04.2014	372.69	356.49
Interest Cost	29.61	27.31
Current Service Cost	39.26	42.42
Actuarial (Gain) / Loss	(18.80)	(30.12)
Benefits paid	(87.35)	(23.41)
Present Value of obligation as at 31.3.2015	335.41	372.69

#### ii. Changes in Fair Value of Plan Assets:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Fair Value of Plan Assets as at 1.4.2014	356.74	351.11
Adjustment in opening balance	-	-
Expected Return on Plan Assets	28.09	29.64
Employer Contribution	15.96	5.39
Actuarial Gain/(Loss)	(6.38)	(30.12)
Benefits Paid	(87.35)	0.72
Fair Value of Plan Assets as at 31.3.2015	307.06	356.74

#### iii. Reconciliation of the Present value of defined Present Obligations and the Fair Value of Assets:

Particulars	As at 31.03.2015	As at 31.03.2014
Present Value of obligations as at 31.3.2015	335.41	372.69
Fair Value of Plan Assets as at 31.3.2015	307.06	356.74
Present Value of unfunded obligation as at 31.3.2015	(28.35)	(15.96)
Unrecognised Past Service	-	-
Unrecognised Actuarial (Gain) / Loss	-	-
<b>Unfunded Net Liability recognised in Balance Sheet</b>	<b>(28.35)</b>	<b>(15.96)</b>



## NOTES ON FINANCIAL STATEMENTS

### iv. Expenses recognised in Profit and Loss Account:

Amount (₹ lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Current Service Cost	39.26	42.42
Interest Cost	29.61	27.31
Net Actuarial (Gain) / Loss	(12.42)	(24.13)
Expected Return on Plan Assets	(28.09)	(29.64)
Others	-	-
Total Expenses recognised in Profit and Loss A/c	28.35	15.95
<b>Expected Employer contribution for next year</b>	28.35	15.95

### LEAVE ENCASHMENT

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Discount Rate per annum (Compound)	7.77%	8.00%
Rate of increase in Salaries	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.75%	8.75%
Expected Average remaining working lives of employees in no. of years	Officers -11.64 Staff – 7.27	Officers -12.12 Staff – 6.75

### Summary of Key Information - Leave Encashment

### i. Changes in Defined Benefit Obligation:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Present Value of obligation as at 1.4.2014	39.03	20.50
Interest Cost	3.08	1.21
Current Service Cost	15.13	16.99
Benefits Paid	(9.60)	(10.83)
Actuarial (Gain) / Loss	(7.03)	11.16
Present Value of obligation as at 31.3.2015	40.61	39.03

### ii. Changes in Fair Value of Plan Assets:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Fair Value of Plan Assets as at 1.4.2014	9.70	-
Adjustment in opening balance	(0.32)	-
Expected Return on Plan Assets	1.68	0.39
Employer Contribution	29.33	19.61
Benefits Paid	(9.60)	(10.83)
Actuarial Gain/(Loss)	(1.32)	0.53
Fair Value of Plan Assets as at 31.3.2015	29.47	9.70

### iii. Reconciliation of the Present value of defined Present Obligations and the Fair Value of Assets:

Particulars	As at 31.03.2015	As at 31.03.2014
Present Value of obligations as at 31.3.2015	9.70	39.03
Fair Value of Plan Assets as at 31.3.2015	(0.32)	9.70
Funded Liability Recognised in Balance Sheet	(10.02)	(29.33)
Present Value of unfunded obligation as at 31.3.2015	-	-
Unfunded Net Liability recognised in Balance Sheet	(10.02)	(29.33)



## NOTES ON FINANCIAL STATEMENTS

### iv. Expenses recognised in Profit and Loss Account

Amount (₹ lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Current Service Cost	15.13	16.99
Interest Cost	3.08	1.21
Net Actuarial (Gain) / Loss	(5.71)	10.63
Expected Return on Plan Assets	(1.68)	(0.39)
Total Expenses recognised in Profit and Loss A/c	10.82	28.44

### 24. FINANCE COST

Interest to Bank	9.64	1.19
Other Borrowing cost	3.03	4.32
<b>Total</b>	<b>12.67</b>	<b>5.51</b>

### 25. DEPRECIATION AND AMORTISATION EXPENSE

<b>Depreciation and Amortisation</b>	127.15	194.31
Less: Transfer from Revaluation Reserve	0.00	4.41
<b>Total</b>	<b>127.15</b>	<b>189.90</b>

### 26. OTHER EXPENSES

Consumption of stores and spare parts (Refer Note 26.1 below)	160.45	158.56
Excise Duty on Closing Stock of finished goods	103.68	46.62
Rates & Taxes	5.19	4.39
Power & Fuel	2104.01	2133.47
Effluent Expenses	45.72	34.52
Insurance	7.03	9.22
Repairs :		
Building	57.96	72.55
Machinery (Refer Note 26.2 below)	312.80	332.08
Audit fees & Expenses (Refer Note 26.5 below)	7.27	6.58
Freight and Delivery Charges	138.43	137.92
Selling Agents' Commission	21.89	24.84
Rent	11.02	10.55
Travelling	22.87	22.43
Directors' Fees	3.08	2.29
Rebate & Discount	19.80	11.19
Advertisement	6.95	6.80
Research & Development Expenses	13.92	13.24
Sundry Balances written off	0.81	0.00
Provision for Bad and doubtful debts	20.71	2.81
Interest paid/payable to SMEs	0.98	1.23
Miscellaneous Expenses	216.94	208.91
<b>Total</b>	<b>3281.51</b>	<b>3240.20</b>





## NOTES ON FINANCIAL STATEMENTS

	Amount (₹ lacs)			
	Year ended 31st March 2015		Year ended 31st March 2014	
	Amount	%	Amount	%
<b>26.1 Value of stores, spare parts and components consumed:</b>				
Indigenous	160.45	100.00	113.98	71.88
Imported	0.00	0.00	44.58	28.12
	<b>160.45</b>	<b>100.00</b>	<b>158.56</b>	<b>100.00</b>
<b>26.2</b> Stores consumed included under Repairs to Machinery ₹ 202.96 lacs (2013-14: ₹ 234.14 lacs), Miscellaneous Expenses ₹ 11.95 lacs (2013-14: ₹ 20.20 lacs), Workmen and Staff Welfare ₹ 6.47 lacs (2013-14: ₹ 4.00 lacs).				
<b>26.3 Value of Imports on CIF basis:</b>				
Raw Materials		14.48		15.34
Spares / components		0.00		44.58
<b>Total</b>		<b>14.48</b>		<b>59.92</b>
<b>26.4 Expenditure in Foreign Currency :</b>				
Travelling		2.04		1.97
Others		20.44		71.36
<b>Total</b>		<b>22.48</b>		<b>73.33</b>
<b>26.5 Payment to Auditors</b>				
Statutory Audit Fees		5.25		4.75
Tax Audit Fees		1.00		0.90
Other matters		0.35		0.35
Reimbursement of out of pocket expenses		0.67		0.58
<b>Total</b>		<b>7.27</b>		<b>6.58</b>
			<b>As at</b>	<b>As at</b>
			<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>27. Estimated amount of contract remaining to be executed on capital account not provided for</b>			Nil	Nil
<b>28. Contingent liability not provided for in respect of :</b>				
(a) Bank Guarantees given to Government Authorities		14.00		14.00
(b) Claims not acknowledged as debts :				
(i) Excise Duty		479.49		1066.04
(ii) Income Tax		103.90		103.90
(iii) Sales Tax		23.84		23.84

In all the above cases, the management, including the tax advisors are of the view that the Company's position is likely to be upheld in the appellate forums. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and profitability.



## NOTES ON FINANCIAL STATEMENTS

### 29. Segment Information as per Accounting Standard (AS)-17

The company is engaged in the business of manufacture and sale of gelatine and its by-product DCP for industrial applications which form part of one product group and hence a single business segment. However, based on geographical factors, reportable geographic segments have been identified as exports sales and domestic sales. The segment-wise information pertaining to the reportable geographical segments for the year ended 31<sup>st</sup> March, 2015 is as follows:

(₹ lacs)

		Exports	Domestic	Total
Segment Revenue	2014-15	491.10	12982.44	13473.54
	2013-14	466.57	12578.95	13045.52
Segment Results	2014-15	104.32	2172.94	2277.26
	2013-14	100.48	2390.61	2491.09
Unallocated Expenditure	2014-15			12.08
	2013-14			5.51
Profit from Ordinary activities Before Tax	2014-15			2265.18
	2013-14			2485.58

Capital employed as also assets and liabilities of the company are not capable of being stated separately segment-wise since all the assets and liabilities are held under composite undertaking for both the geographic segments.

### 30. Related Party Disclosure

(a) Enterprises where control exists:

Jumbo World Holdings Limited	Ultimate Holding Company
Alfamont (Mauritius) Limited	Holding Company

(b) Other group companies:

Dandvati Investments & Trading Co. Pvt. Ltd., Firestorm Electronics Corporation Pvt. Ltd., Harshit Finlease & Investments Private Ltd., Jumbo Investments Ltd., Primo Enterprises Pvt. Ltd., MPIL Corporation Ltd., GWL Properties Ltd., Jumbo World Holdings (India) Pvt. Ltd.

All the Companies as disclosed above are controlled directly/indirectly by the Heirs of Late Mr. M.R.Chhabria, through Jumbo World Holdings Limited and its various subsidiary/associate companies.

The above, though not required in terms of Accounting Standard 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, has been disclosed in view of the disclosure requirement of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in relation to inter-se transfer of shares amongst group companies.

(c) Key Management Personnel:

Mr. Ashok Kapur, Whole Time Director  
 Mr Mahesh Verma, Company Secretary  
 Ms. Priya Gupta, Chief Financial Officer



## NOTES ON FINANCIAL STATEMENTS

(d) Particulars of transactions with related parties/group companies:

(₹ lacs)

Particulars	2014-15	2013-14
(1) <b>Transactions with Holding Company</b>		
<b>Alfamont (Mauritius) Limited</b>		
Dividend Paid	151.24	151.24
(2) <b>Transactions with Group Companies</b>		
<b>MPIL Corporation Ltd</b>		
(i) Guest House Lease Rent	3.60	3.60
(ii) Fees for infrastructure services	2.71	2.02
<b>Jumbo Electronics Corp. Pvt. Ltd</b>		
(i) Reimbursement of cost of Internal Auditor	1.50	Nil
(3) <b>Balances due to Group Companies</b>		
MPIL Corporation Limited	0.66	0.67
Jumbo Electronics Corp. Pvt. Ltd	0.75	Nil
(4) <b>Transactions with Key Managerial Personnel</b>		
(i) Remuneration Paid to Mr. Ashok K Kapur, Wholetime Director	30.83	30.70
(ii) Remuneration Paid to Mr. Mahesh Verma, Company Secretary	10.50	9.59
(iii) Remuneration Paid to Ms. Priya Gupta, Chief Financial Officer	4.21	NA

(e) Brief particulars of the arrangements with group companies:

Name of Related Party	Nature of relationship	Nature of contract/ arrangement	Salient terms of contract	Date of approval by the Board	Amount of advance paid, if any
MPIL Corporation Ltd	Group Company	Providing Infrastructure and secretarial services	Rs 50,000 per month	27 <sup>th</sup> May 2014	Nil
Jumbo Electronics Corp. Pvt. Ltd	Group Company	Sharing of costs of Internal Audit Manager	Rs 75,000 per quarter	6 <sup>th</sup> August 2014	Nil
MPIL Corporation Ltd	Group Company	Lease of Guest House in Mumbai	Rs 30,000 per month for a period of 3 years from 1 <sup>st</sup> Oct 2014 to 30 <sup>th</sup> Sept 2017	11 <sup>th</sup> November 2014	Nil

### 31. Earnings per Share (EPS) as per Accounting Standard (AS)-20

	For the year ended 31.3.2015	For the year ended 31.3.2014
Profit available for equity shareholders	₹ 1550.47 Lacs	₹ 1626.41 Lacs
Weighted average number of equity shares	60,49,587	40,33,058
Nominal value of equity share	₹ 10	₹ 10
<b>Earnings per share – Basic / Diluted</b>	<b>₹ 25.63</b>	
<b>Adjusted Earnings per share – Basic / Diluted*</b>		<b>₹ 26.88</b>

\*Pursuant to bonus issue in the ratio of one equity share for every two equity shares held during the financial year, the Earnings per share for previous period has been adjusted and presented in accordance with Accounting Standard (AS) - 20, Earnings per share. As per Paragraph 24 of the Accounting Standard read with Appendix III thereto, the bonus issue is treated as if it had occurred prior to the beginning of the year 2014-15 for the purpose of calculation of Earning per Share.



## NOTES ON FINANCIAL STATEMENTS

### 32. Net dividend remitted in Foreign currency

	For the year ended 31.3.2015	For the year ended 31.3.2014
No. of Shareholder(s)	1	1
No. of Equity Shares	3024793	3024793
Amount Remitted (₹ lacs)	151.24	151.24
Year to which it pertains	2013-14	2012-13

33. As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. As part of initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Environment / river protection, Education, Livelihood, Health care, Water, Sanitation, Rural Development, promotion of sports and cultural activities, which are specified in Schedule VII of the Companies Act, 2013. The amount spent on the same is given below:

	(₹ lacs)
(a) Gross amount required to be spent by the company during the year	41.65
(b) Amount spent during the year on:	
(i) Construction / acquisition of any asset	Nil
(ii) On purposes other than (i) above	
In cash	37.75
Yet to be paid in cash	4.00
Total	41.75

34. Pursuant to an alignment with the requirement of the Companies Act, 2013, the Company has charged off the depreciation on account of revaluation as an expense to the profit and loss account. Accordingly, the profit for the year ended 31st March 2015 is lower by ₹ 6.47 Lac.

35. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Figures in bracket indicate previous year's figures.

**T.R.CHADHA & CO.**  
Chartered Accountants  
Firm Reg. No. 006711N

**For and on behalf of the Board**

**Pravin Kumar Jabade**  
Partner  
M.No. 107196

**Priya Gupta**  
Chief Financial Officer

**Mahesh Verma**  
Company Secretary

**Ravindra K Raje**  
Director

**Ashok K Kapur**  
Wholetime Director

Jabalpur, 27th May, 2015



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-Fourth Annual General Meeting of the Members of Narmada Gelatines Limited will be held on Thursday, 17<sup>th</sup> September, 2015 at 11:30 a.m., at Narmada Jacksons Hotel, South Civil Lines, Jabalpur – 482 002, to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2015 including the audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

“RESOLVED THAT the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2015, including the Balance Sheet as at that date and Statement of Profit and Loss Account for the year ended and the Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon as laid before this Meeting be and are hereby approved and adopted.”

2. To declare dividend on equity shares for the financial year ended March 31, 2015.

“RESOLVED THAT in accordance with the recommendation of the Board of Directors, dividend @ 35% i.e. Rs 3.50 per Equity Share of ₹ 10/- each, fully paid-up, be and is hereby declared in respect of the financial year ended 31<sup>st</sup> March, 2015 and that the Dividend be paid to those Equity Shareholders whose names appear on the Register of Equity Shareholders as on 10<sup>th</sup> September, 2015 or to their mandatees”.

3. To appoint a director in place of Mr. Sanjeev Jain (DIN 00119762), who retires by rotation and, being eligible, offers himself for re-appointment.

“RESOLVED THAT Mr. Sanjeev Jain (DIN 00119762), Director of the Company, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed, as a Director of the Company, liable to retire by rotation”.

4. Appointment of Auditors

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s T.R.Chadha & Co., Chartered Accountants, (ICAI Registration No. 006711N) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the

Company and the Auditors, including service tax, out-of-pocket and travelling expenses.”

By Order of the Board of Directors  
For Narmada Gelatines Limited

**Mahesh Verma**  
Company Secretary

Jabalpur  
27<sup>th</sup> May, 2015

Registered Office:  
CARAVS, Room No. 28  
15 Civil Lines, Jabalpur – 482001

### Notes :

- (a) The Register of Members and the Share Transfer Register will remain closed from 11<sup>th</sup> September to 17<sup>th</sup> September, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend, if declared at the meeting.
- (b) **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note (w). The Company will also send a separate communication relating to remote e-voting which *inter alia* would contain details about User ID and password along with a copy of this Notice.
- (c) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) 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 a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- (d) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- (e) Brief resume of Mr. Sanjeev Jain, Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of the companies in which he hold



- directorships, memberships/chairmanships for Board/ Committees, shareholding and relationship between directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, are annexed to this Notice.
- (f) Members and proxy holders are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- (g) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- (h) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (i) Relevant documents referred to in accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
- (j) Dividend on Equity Shares, if declared at the meeting will be credited / dispatched on or after 17<sup>th</sup> September, 2015 to those members whose names appear on the Company's Register of Members as on 10<sup>th</sup> September, 2015 (Record Date). In respect of shares held in electronic mode, the dividend will be paid to members whose names are furnished by the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as the beneficial owners on 10<sup>th</sup> September, 2015.
- (k) Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz. Name of Bank, Branch, complete address of the Bank and Account Number for printing the same on the Dividend Warrants to avoid fraudulent encashment:
- to their Depository Participants (DP) in respect to their Electronic Share Account; and
  - to the Company at its Registered Office or to the Registrars and Share Transfer Agents of the Company in respect of their physical share holdings.
- (l) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
- (m) Any Member desirous of obtaining any information on the Accounts of the Company may please forward such queries in writing to the Company Secretary at the Registered Office, at least ten days prior to the date of the Meeting.
- (n) As required under clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, the relevant details of persons seeking appointment/ re-appointment as directors / whole time director are furnished in the Corporate Governance Report forming part of the Annual Report.
- (o) Members having multiple ledger folio in identical name or joint names in identical order, are requested to intimate to the Company or its Registrars such ledger folio(s) for consolidating such multiple holdings into single account.
- (p) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (the Act), the Company has transferred the unpaid or unclaimed dividends for the financial years ended 31<sup>st</sup> March, 2007, from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Act. In accordance with the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rule, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22<sup>nd</sup> September, 2014 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs (MCA).
- Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
- (q) In terms of the provisions of Section 72 of the Companies Act, 2013, read with rule 19 of the Companies (Share Capital & Debentures) Rule, 2014, a Member may nominate, at any time, in the prescribed manner in Form No. SH.13, a person to whom his/her shares in the Company shall vest in the event of his/her death. This may be sent to the Company Secretary at the Registered Office, duly completed.
- (r) Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar & Share Transfer Agents, M/s. CB Management Services Pvt. Ltd.
- (s) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- (t) Non-Resident Indian members are requested to inform the company's Registrar and transfer agents M/s CB Management Services Pvt. Ltd immediately of:
- change in the residential status on return to India for permanent settlement; and
  - particulars of their Bank account maintained in India with complete name, branch, account type, account no. and address of the bank, if not furnished earlier.



(u) Electronic copy of the Annual Report and Notice of the 54<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 54<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

(v) Members may also note that the Notice of the 54<sup>th</sup> Annual General Meeting and the Annual Report for the financial year ended March 31, 2015 will also be available on the Company's website [www.narmadagelatines.com](http://www.narmadagelatines.com). All documents referred to in the accompanying Notice, will be available for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Members are also requested to inform their correct e-mail address, if any, to the Depositories (if shares held in demat form) and to our Registrar by visiting Website namely "[www.cbmsl.com/ Green.php](http://www.cbmsl.com/Green.php)" (if shares held in physical form) in compliance of Green Initiative as per circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the company to send notice/documents through e-mail.

Members who do not have access to e-voting facility may write to the company of their intention to exercise their assent or dissent on shareholders' resolution by way of postal ballot. The company shall provide postal ballot facility to such members.

**(w) Voting through electronic and other means**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

- The facility for voting through ballot or polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot or polling paper.
- The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.
- The voting rights of shareholders shall be reckoned on the paid-up value of equity shares registered in

the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 10th September, 2015.

- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 10, 2015 only shall be entitled to avail the facility of remote e-voting / Ballot Poll.
- The Board of Directors of the Company has appointed Mr. Asim Kumar Chattopadhyay, Company Secretary whole time in Practice (ICSI Membership No. FCS 2303), Ananya Complex, 3rd Floor, 209, B.T. Road, Kolkata – 700036, as the Scrutinizer to scrutinize the remote e-voting and voting process at the AGM in a fair and transparent manner and Mr. Sunil Bhandari, Chartered Accountant, Jabalpur as the Scrutinizer to scrutinize the voting process at the AGM in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.

The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company [www.narmadagelatines.com](http://www.narmadagelatines.com) and on the website of CDSL, and the results shall simultaneously be communicated to the BSE Limited.

- The Scrutinizer shall, within a period not exceeding three(3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) 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.
- Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 17, 2015.

Please read the instructions below carefully before exercising your vote.

These details and instructions form an integral part of Notice for the Annual General Meeting to be held on 17<sup>th</sup> September, 2015.

**Steps for E-voting**

The instructions for members for remote e-voting are as under:

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Select the Electronic Voting Sequence Number - "EVSN" along with "NARMADA GELATINES LIMITED" from the drop down menu and click on "SUBMIT".
- (iv) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.



(v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user, follow the steps given below.

(vi) Fill up the following details in the appropriate boxes:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li>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 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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"> <li>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 member id / folio number in the Dividend Bank details field as mentioned in instruction (vii).</li> </ul>

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

(viii) Members holding shares in physical form will then reach directly the EVSN 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.

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

(x) Click on the relevant EVSN on which you choose to vote.

(xi) 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.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) 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.

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

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

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

(xvii) 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. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. 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 remote e-voting begins on 14th September, 2015 (9:00 am) and ends on 16th September, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors  
For Narmada Gelatines Limited

**Mahesh Verma**  
Company Secretary

Jabalpur  
27<sup>th</sup> May, 2015

Registered Office:  
CARAVS, Room No. 28  
15 Civil Lines, Jabalpur – 482001



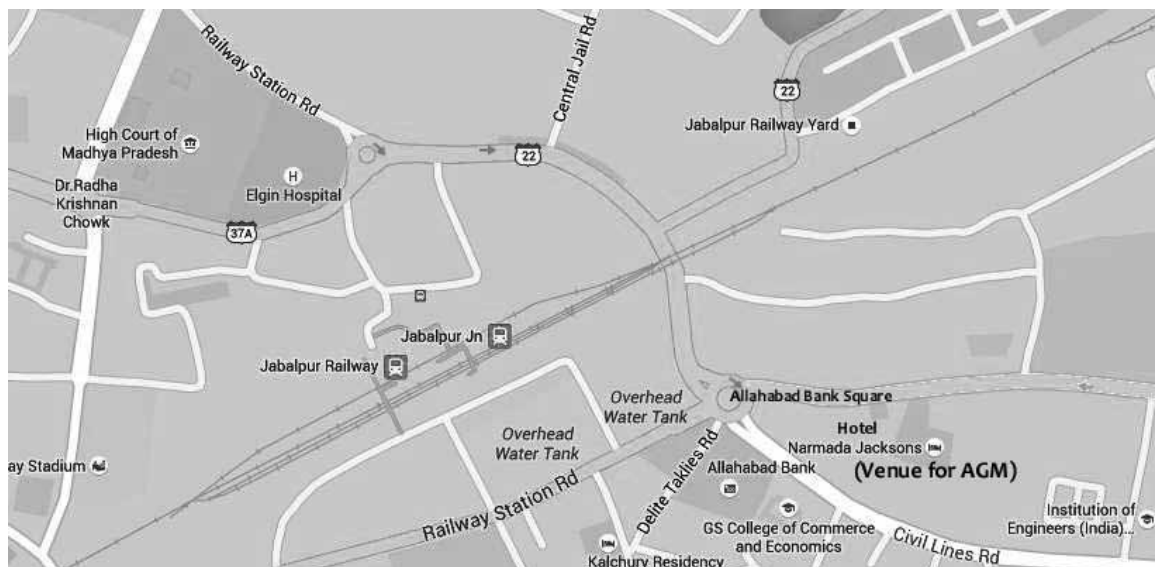


**Annexure**

**Details of Director seeking re-appointment at the 54<sup>th</sup> Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)**

Particulars	
Name	Mr. Sanjeev Jain
DIN	00119762
Date of Birth	5.12.1961
Date of Appointment in AGM	29.1.2009
Qualification	B.Com, ACA
Expertise in specific functional areas and past experience	Chartered Accountant with over 25 years experience in the field of Corporate Finance, Taxation, Accounting, Company Law and FEMA matters.
Directorship in other companies	<ul style="list-style-type: none"> <li>▪ Dandvati Investments &amp; Trading Co. Pvt. Ltd.</li> <li>▪ Firestorm Electronics Corporation Pvt. Ltd.</li> <li>▪ MPIL Corporation Limited</li> <li>▪ GWL Properties Limited</li> <li>▪ Harshit Finlease &amp; investments Pvt. Ltd.</li> <li>▪ Jumbo Electronics Corporation Pvt. Ltd.</li> <li>▪ Jumbo World Holdings (India) Pvt. Ltd.</li> <li>▪ Primo Enterprises Pvt. Ltd.</li> <li>▪ Viman Investments Pvt. Ltd.</li> <li>▪ Aasman Management Services Pvt. Ltd.</li> <li>▪ Derby Electricals (India) Pvt. Ltd.</li> <li>▪ L'Aquila Investments Pvt. Ltd.</li> <li>▪ SMN Engineers Ltd.</li> <li>▪ Wizer Advertising Pvt. Ltd.</li> </ul>
Memberships / Chairmanships or committees across public companies	Stakeholders' Relationship Committee <ul style="list-style-type: none"> <li>▪ GWL Properties Limited</li> </ul> Audit Committee <ul style="list-style-type: none"> <li>▪ GWL Properties Limited</li> </ul> Nomination and Remuneration Committee <ul style="list-style-type: none"> <li>▪ Narmada Gelatines Limited</li> <li>▪ GWL Properties Limited</li> </ul>
Shareholding	Nil

**Route Map**









# NARMADA GELATINES LIMITED

CIN: L24111MP1961PLC016023

Registered office: 28, CARAVS, 15 Civil Lines, Jabalpur – M.P. - 482001

## ATTENDANCE SLIP

**Please fill the Attendance slip and hand it over at the Entrance of the Meeting Hall**

DP ID*		Folio No.	
Client ID*		No. of Shares	

\* Applicable for investors holding shares in electronic form

Name and Address of the Shareholder : .....

I hereby record my presence at the 54<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Thursday, 17<sup>th</sup> day of September, 2015 at 11:30 a.m. at Hotel Narmada Jacksons, South Civil Lines, Jabalpur, M.P.

\_\_\_\_\_  
Signature of Shareholder / Proxy

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**54<sup>th</sup> ANNUAL GENERAL MEETING – 17<sup>th</sup> SEPTEMBER, 2015**

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

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

- Name of Member(s) .....  
Address: .....  
E-mail Id: .....  
Signature:....., or failing him
- Name: .....  
Address: .....  
E-mail Id: .....  
Signature:....., or failing him
- Name: .....  
Address: .....  
E-mail Id: .....  
Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the company, to be held on the Thursday the 17<sup>th</sup> day of September, 2015 at 11:30 a.m. at Hotel Narmada Jacksons, South Civil Lines, Jabalpur, M.P. and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution	Vote (Optional see Note iii) Please mention No. of shares		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To consider and adopt the audited Financial Statements, Reports of the Board of Directors and Auditors			
2	Declaration of dividend on equity shares			
3	Re-appointment of Mr. Sanjeev Jain, as a Director			
4	Appointment of Auditors			

Signed this..... day of ..... 2015.

Signature of shareholder .....

Signature of Proxy holder(s)

(1) .....

(2) .....

(3) .....

**Note:**

- (i) 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.
- (ii) A Proxy need not be a member of the Company
- (iii) It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
- (iv) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% 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 a proxy for any other person or shareholder.
- (v) Appointing a proxy does not prevent a member from attending the meeting in person if he / she so wishes.
- (vi) For the resolutions, explanatory statements and notes, please refer Notice of the 54th Annual General Meeting.

Affix Revenue stamp of Re.1
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Sadhu Vaswani Mission, Pune



Friends of Tribal Society, Jabalpur

**Contribution for promotion of Education**



**Eye camp at villages**

**Shahajpur & Chargawan, Distt. Jabalpur**



**Water Filtration Plant installed at Bheraghat, Jabalpur**



**Plantation at Bheraghat, Jabalpur**

**COURIER / REGISTERED POST / BOOK POST**



If undelivered Please return to :

**The Company Secretary**  
**Narmada Gelatines Limited**

Caravs, Room No. 28, 15 Civil Lines, Jabalpur (MP) - 482 001.