



NARMADA GELATINES LIMITED

The Bombay Stock Exchange Ltd.
Corporate Relationship Department
1st Floor, New Trading Ring, Ratunda Bldg.,
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

28th August, 2019

BSE Security Code: 526739

Sub: Annual Report for the year 2018-19 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for financial year ended 31st March, 2019, including the Notice of the 58th Annual General Meeting.

The Annual Report along with the Notice convening the AGM has been made available on the website of the Company i.e. www.narmadagelatines.com

Kindly take the above information on record and acknowledge the same.

Thanking you,

Yours faithfully,

For Narmada Gelatines Limited

Mahesh Verma
Company Secretary



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Web : www.narmadagelatines.com, CIN - L24111MP1961PLC016023





Annual Report

2018-2019



Narmada Gelatines Limited

NARMADA GELATINES LIMITED

BOARD OF DIRECTORS

Mr. 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, GM - Operations

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Mahesh Verma

CHIEF FINANCIAL OFFICER

Ms. Garvita Asati

STATUTORY AUDITORS

Lodha & Co., Mumbai

SECRETARIAL AUDITORS

Dr. Asim Kumar Chattopadhyay

BANKERS

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

REGISTERED OFFICE

CARAVS, Room No. 28
15 Civil Lines, Jabalpur - 482001 (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

WEBSITE : www.narmadagelatines.com

CIN : L24111MP1961PLC016023

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BOARD'S REPORT

Your Directors are pleased to present the 58th Annual Report of Narmada Gelatines Limited (the Company) along with the audited financial statements for the financial year ended 31st March, 2019.

Financial Highlights

	(₹ lacs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from Operations	12568.20	11761.23
Other Income	545.49	439.79
Total Income	13113.70	12201.02
Total expenses	11789.83	11351.10
Profit before tax	1323.87	849.92
Tax Expense	317.57	46.23
Profit after taxation	1006.30	803.69
Other Comprehensive Income:		
Re-measurements of net defined benefit plans	(15.47)	15.22
Net Profit for the year	990.83	818.92

Operating Performance

During the year under review, your company recorded a turnover of ₹125.68 crores as compared to ₹117.61 crores in the previous year. Profit after tax at ₹10.06 crores improved significantly as compared to ₹8.03 crores in 2017-18. Consequently, Earnings per share increased to ₹16.63 as compared to ₹13.29 in 2017-18.

Dividends

Based on the company's performance, the Directors are pleased to recommend a dividend of ₹10.00 per Equity Share (previous year ₹4.00 per Equity Share) for the financial year ended 31st March, 2019. The total outflow on account of the proposed dividend including dividend distribution tax will be ₹728.11 lacs (previous year ₹291.25 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 25th September, 2019 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).

Share Capital

The Paid-up Equity Share Capital of the Company as on 31st March 2019 was 604.96 lacs comprising of 60,49,587 equity shares of ₹10/- each. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares. The Company has paid Listing Fees for the financial year 2019-20 to The Bombay Stock Exchange Ltd., where its equity shares are listed.

Transfer to Reserves

It is proposed to transfer an amount of ₹ 99.08 lacs (being 10% of the net profits for the year) to the General Reserve.

Quality initiatives

The Company is committed to the highest levels of quality for its products and customer services. During the financial year 2018-19, the Company retained its ISO certification for Quality Management (ISO 9001:2008), EDQM Certification from European Directorate for the Quality of Medicines and Healthcare, DNV Management System Certification for Food Safety Management System Standard (ISO 22000:2005), KOSHER Certification and Halal Assurance System Certification from Majelis Ulama, Indonesia.

Deposits from public

During the year under review, the Company has not accepted any deposits from public as defined under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Particulars of Loans, Guarantees and 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)

A brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken on CSR activities during the year are set out in Annexure - I of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. Details regarding the CSR Committee are covered in Corporate Governance Report, which is a part of this report. The CSR policy is available on www.narmadagelatines.com

Risk Management

The Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) overseeing strategic, operational, financial, liquidity, security, regulatory, legal, environmental, human recourse, and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns/risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. 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 / Whistle Blower Policy

The Company has a Vigil mechanism/Whistle-blower Policy in place to encourage and facilitate employees to report concerns about unethical behaviour, actual/suspected frauds and violation of Company's Code of Conduct or Ethics. The policy provides for adequate safeguards against victimisation of persons who avail of the same and provides for direct access to the chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. Information on Whistle-Blower Policy is available on the Company's website www.narmadagelatines.com and in the Corporate Governance Report.

Reporting of Frauds

There were no instances of fraud or suspected frauds reported during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

Subsidiaries, Joint Ventures and Associate Companies

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

Directors and Key Managerial Personnel

During the financial year 2018-19, in compliance with the Regulation 17(1A) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Listing Regulations') the company sought the approval of the shareholders by way of

Special Resolutions through postal ballot for the continuation of Justice Gulab Gupta and Mr. Mohan C Pant, Independent Directors, which were duly passed on 30th March, 2019.

All the Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

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. Ravindra K Rajee (DIN 00112003) 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.

The Board of Directors at its meeting held on 27th May, 2019, subject to the approval of the shareholders in the general meeting, appointed Mr. Ashok K Kapur, as the Wholetime Director of the Company for a period of 2 years with effect from 1st June, 2019, on terms of remuneration as recommended by the Nomination & Remuneration Committee. A resolution in this regard is set out at Item No.4 of the Notice of Annual General Meeting, for Members' approval.

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 reappointed, nature of their expertise in specific functional areas and names of companies in which they holds directorship and membership/ chairmanship of committees of the Board, as stipulated under Regulation 36 of the Listing Regulations are given in the section on Corporate Governance in this Annual Report.

Policy on Directors' Appointment and Remuneration

The policy of the Company is to have an appropriate number of executive and independent directors on the board.

The policy of the Company on directors' appointment and remuneration, etc. as required under Section 178 of the Companies Act, 2013, is available on the Company's website (www.narmadagelatines.com) and in the Corporate Governance Report. The remuneration paid to the directors is as per the terms laid down in the Nomination & Remuneration Policy of the Company.

The Company has a Nomination and Remuneration Committee which makes recommendation to the Board with regard to the appointment of new Directors and Key Managerial Personnel.

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Regulations as amended from time to time and includes the general guidelines on the appointment and remuneration including criteria for determining qualifications, positive attributes and independence of the Directors, Key Managerial Personnel and other employees of the company and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013.

The main objectives of the policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in senior management and key managerial positions and to determine their remuneration.

- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies and in the industry.
- To carry out evaluation of the performance of Directors, as well as key managerial and senior management personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Board Evaluation

The Nomination & Remuneration Committee and the Board have laid down the manner in which a formal annual evaluation of the performance of the Board, Committees, Chairman and individual directors has to be made. The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, the performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated. The manner in which the evaluation was carried out is covered in the Corporate Governance Report.

Board Meetings

The Board meets at regular intervals to discuss and decide on company's business. In case of special and urgent business, the Board/Committee's approval is taken by passing resolutions through circulation, or by calling Board/Committee meetings at a shorter notice, as permitted by law. During the financial year under review, four 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

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2019, 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, 2019 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; and
 - 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

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 Section 188(1) of the Companies Act, 2013 in Form AOC-2 are set out in the Note 34 of Notes to Financial Statements forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions with the Company or vice versa.

Statutory Auditors and Audit Report

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Lodha and Company, Mumbai, Chartered Accountants (Firm Registration No.301051E), were appointed as statutory auditors of the Company to hold office for a term of five years i.e. from the conclusion of 56th Annual General Meeting of the Company, till the conclusion of 61st Annual General Meeting to be held in 2022. The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

The Statutory Auditors, M/s Lodha and Company, Mumbai, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2018-19, which forms part of this Annual Report. The Notes on Financial Statements referred to in the Auditors' Report for the year 2018-19 are self-explanatory. There are no observations, qualifications, reservations or adverse remarks in the Auditor's Report that call for any explanation.

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, Dr. Asim Kumar

Chattopadhyay, Company Secretary in Practice, was appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this Report as Annexure - II. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Transfer of Unpaid and Unclaimed amounts to IEPF

Pursuant to the provisions of Section 124 of the Companies Act, 2013, during the financial year, 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, as detailed in the Corporate Governance Report.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2018 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs (www.iepf.gov.in).

Significant and Material Order passed by the Regulators

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Corporate Governance Report

The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 the Corporate Governance Report. As required by the Listing Regulations the certificate on Corporate Governance for the year ended 31st March, 2019 issued by Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice, is annexed to this Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report as required under the Listing Regulations is presented in a separate section and forms part of the Annual 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(3) of The Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure - III.

Extract of Annual Return

In accordance with the Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 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 Rules 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**

All the employees in the Company are considered equal. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, origin, sexual orientation or age. Every individual is expected to treat his/her colleagues with respect and dignity.

The Company has in place a policy for prevention of sexual harassment at workplace. This Anti- Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. No complaint was received by the Company during the financial year ended 31st March, 2019.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

Appreciation

The Directors wish to convey their deep appreciation to all the employees, customers, vendors, investors, and consultants/ advisors of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

The Directors also thank the Central and the State Governments, statutory authorities, bankers, and business associates and all the stakeholders for their continued interest and valued support.

For and on behalf of the Board

Ravindra K. Raje
Director

Ashok K. Kapur
Whole-time Director

Place: Jabalpur
Date: 27th May, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Economy Overview

In 2018, the global economy began its journey with the estimated growth 3.6% as per the IMF. During the second half of 2018, owing to impending US-China trade dispute and slowdown across developed markets, this rate of development gradually declined.

India is emerging as an important player in the world economy as reflected in World Bank's Ease of Doing Business 2019 Report, which improves India's ranking by 23 positions to 77th rank in 2018.

Despite elevated crude oil prices and several global headwinds, Indian economy is estimated to achieve a growth of 7.2% in 2018-19, higher as compared to 6.7% recorded in 2017-18. The economy has achieved high growth amidst significant improvements in macro-economic stability, mainly on the strength of ongoing structural reforms, fiscal discipline, efficient delivery of services and financial inclusion.

Industry Structure and Developments

Gelatin has multiple applications across various industries including food & beverage, pharmaceutical, photography, biomedical, personal care, and other technical areas.

Gelatin is highly rich in protein and is used in nutraceuticals, sports nutritional products, and supplements. It is used in food & beverage products as a stabilizer, thickener, or a gelling agent. In pharmaceutical, gelatin is used to manufacture hard and soft capsules, for coating tablets, and in syrups. It also has many biomedical applications and is used in the manufacturing of scaffolds for healing wounds. Globally, the health benefits of gelatin have led to its large-scale adoption in numerous applications. Gelatin is also a clean label product that finds increased demand across various industries. Changing lifestyles, growing health awareness, increasing instances of diseases, and the growing number of application sectors are some factors driving the growth of the gelatin market.

The global gelatin market is estimated to be valued at USD 2.56 billion in 2018 and is projected to reach USD 3.53 billion by 2023, at a CAGR of 6.6%. Increasing use in nutraceuticals, recognition of preventive healthcare, growing demand for technical textile and utilization of functional food are the major factors driving the market growth. Pharmaceutical applications are expected to witness fastest growth on account of rapidly expanding usage of hydrocolloids in production of tablets and capsules.

However, food security concerns and threat of vegan gelatin substitutes are some of the factors hindering the market growth. Growing regulatory issues, primarily in the food industry and environment, are also challenges for domestic gelatin manufacturers.

Opportunities and Threats, Outlook, Risks and Concerns

India continues to be categorised as "Negligible Risk" under BSE categorisation. With increasing level of awareness on environmental hazards, the state authorities are upgrading pollution control norms regularly and the industry is now required to address the issue of environment with more commitment. Your company continues to take all necessary steps to comply with pollution control norms.

Difficulty in sourcing good quality raw material and rise in raw material prices continue as areas of concern. The import of poor quality gelatin into India is a matter of health concern and affects proper price realisation for the gelatin produced by the domestic manufacturers. The industry has been taking pro-active steps to make the Government authorities aware of such imports. The government has allowed imports of crushed bones and the quality of the imported bones is far superior. This may help to reduce the raw material prices in India and also help to improve the quality of gelatin.

Segment-wise or product-wise performance

The Company is engaged in only one segment namely manufacture and sale of gelatine and related products like ossein and di-calcium phosphate (DCP) and as such there are no reportable segments as per Ind AS-108 "Operating Segments"

Internal financial controls and its adequacy

The Company's Internal Financial Control framework is commensurate with the size and the nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of Corporate Policies.

The Company has laid down procedures and policies to guide the operations of the business. The Company has a well-defined delegation of power with authority limits to approve revenue as well as expenditure. Functional heads are responsible to ensure compliance with the policies and procedures laid down by the management.

The Company has appointed reputed firm of Chartered Accountants to carry out internal audits. The audit is based on a focused and risk based internal audit plan, which is reviewed and approved each year by the Audit Committee of the Company.

The Audit Committee reviews reports submitted by internal auditors. Suggestions to improve any process are considered by the management and the Audit Committee follows up on corrective actions taken by the management. The Audit Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations periodically.

The operating management assessed the effectiveness of the Company's internal controls over financial reporting as of 31st March 2019. M/s. Lodha & Co., the Statutory Auditors of the Company audited the financial statements included in this Annual Report and have issued a report on the internal controls over financial reporting (as defined in Section 143 of the Companies Act, 2013).

Based on its evaluation (as provided under Section 177 of the Companies Act, 2013 and Clause 18 of SEBI Listing Regulations), the Audit Committee has concluded that as of 31st March 2019, the Internal Financial Controls were adequate and operating effectively.

Human Resources / Industrial Relations

The Company's human resources agenda continues to remain focused on the development of its employees, building capabilities in the organization and progressive employee relations policies. The Company addressed training and development needs of its workforce in technical and behavioural areas by deploying internal and external faculty. During the year a memorandum of understanding was reached and signed with the employees' union for a period of five years.

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.

Financial and operational performance

The financial highlights for the year 2018-19 are as follows: (₹ lacs)

	2019	2018	Variance
Revenue from Operations	12568.20	11761.23	806.97
Profit before tax	1323.87	849.92	473.95
Profit after taxation	1006.30	803.69	202.61

The improved performance is mainly driven by increased sales volume and higher price realisation of products.

Significant changes in key financial ratios

In accordance with the Listing Regulations the Company is required to give details of significant changes in the key financial ratios. During the year, the significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	FY 2018-19	FY 2017-18	Change (%)	Reason for change
Current Ratio	4.41	6.11	-27.7%	Increase in short term borrowing as also higher payables on account of higher purchases of raw materials at financial year end.
Debt Equity Ratio	0.13	0.09	-44.4%	Debts are insignificant compared to Equity; increase over a low base has resulted in higher % change.
Operating profit margin (%)	6.58%	4.40%	+49.5%	Improved margin realization and higher volumes.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include raw material availability, import and exports of raw material and finished goods, economic conditions, affecting demand and supply, government regulations, changes in taxation, and natural calamities over which the Company does not have any direct control.

**Annexure - I to the Board's Report****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

The Company is focused on activities 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.

During the year under review, the Company's contributions to the community were in the areas of protection of environment, promotion of education, livelihood, promoting health care including preventive health care, providing water, sanitation and rural development and contributions to other social development organisations. The Company also supported and partnered with several NGOs in community development and health initiatives. Some of the social activities carried out by the Company were as under:

Environment

The Company carried out plantation of trees, maintenance of green belts and gardens 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, 'Narmada Mahotsava' and 'Narmada Jayanti'.

Education

Education remains as one of the focus areas of social development and the Company supports academics at all levels. The Company provides assistance to schools such as 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 various schools and other charitable institutions. The Company also aided the repairs and maintenance of schools located in the nearby villages and provided financial help to meritorious but financially challenged students.

Community Health Care

The Company conducts regular health checks, eye check-up and blood donation camps and medical diagnostic camps. The Company also arranged for sprinkling of medicines and insecticides in the surrounding villages to prevent diseases and promote cleanliness.

Swachh Bharat Mission

To promote the national mission on cleanliness "Swachh Bharat Mission", your Company has contributed towards construction and maintenance of toilets in the nearby 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 weblink to the CSR policy and projects or programmes

The main objective of the CSR Policy is to lay down guidelines for the Company 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.

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 surrounding areas 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.

The CSR policy is available on the company's website www.narmadagelatines.com

Composition of the CSR Committee:

- Mr. Mohan C. Pant - Independent Director (Chairman)
- Mr. Sanjeev Jain - Director
- Mr. Ashok K. Kapur - Wholetime Director

Average net profit of the Company for last three financial years: ₹838 lacs

Prescribed CSR Expenditure: ₹16.76 lacs

Details of CSR spend for the financial year:

a. Total amount spent for the financial year ₹19.43 lacs

b. Amount unspent, if any: Nil

c. Manner in which the amount was spent during the financial year is detailed below:

(₹ lacs)

Project/Activities	Sector	Locations	Amount outlay (Budget) Project or program wise	Amount spent on the projects or programs	Amount spent Direct	Amount spent through implementing agency*
Sponsoring of sports and games events	Sports Promotion	Jabalpur	0.75	0.92	0.92	-
Financial assistance to orphanage and old age homes	Child and Old age people care	Jabalpur	1.10	1.40	-	1.40
Tree plantation, and maintenance, promotion of river cleanliness and protection	Environment Protection & Plantation	Bheraghat Jabalpur	7.60	8.15	8.15	-
Medical and health camps, blood donation drive etc.	Health Care	Jabalpur and surrounding villages	0.65	0.93	0.43	0.50
Educational scholarship, provision of books and educational aid to Govt./ other schools	Literacy	Jabalpur	5.00	5.02	-	5.02
Financial assistance for hosting cultural programmes	Cultural Activities	Jabalpur	0.50	0.33	0.33	-
Regular cleaning of River Narmada and surrounding areas	River cleanliness	Jabalpur	2.00	1.38	1.38	-
Providing safe drinking water to community, support in construction and maintenance of toilets, drainage and road	Sanitation/ Rural development	Jabalpur	1.50	0.23	0.23	-
Financial assistance for upliftment of girl child	Care of girl child	Jabalpur	0.30	0.10	0.10	-
Salary and administration costs			0.80	0.97	0.97	-
TOTAL			20.20	19.43	12.51	6.92

* Details of Implementing Agencies:

Soham Welfare Society, Jabalpur; Maharishi Vidya Mandir, Jabalpur; Friends of Tribal Society, Jabalpur; Brahmarishi Mission Samiti, Jabalpur; Arya Vidhya Sabha, Jabalpur; Narmada Ved Vedang School, Jabalpur; Sanatam Dharam Shiksha Samiti, Jabalpur; Ekal Gram Sangthan, Jabalpur; Indian Red Cross Society

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 the policy of the Company."

Mohan C. Pant
Chairman - CSR Committee

Ashok K. Kapur
Whole-time Director

27th May, 2019
Jabalpur

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

For the Financial Year Ended 31st March, 2019

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 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 - 482 001

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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided 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 on 31st March, 2019 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 31st March, 2019 according to the provisions as may be applicable to the Company of:

- (i) The Companies Act, 2013 and the Companies Amendment Act, 2017 (hereinafter collectively referred to as the "ACT") and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) 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, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as "Listing Regulations");
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014; Not applicable during the period under review;
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; Not applicable during the period under review as the company is not acting as a Registrar and Share Transfer Agent;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the period under review;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not applicable during the period under review;
 - j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, and
 - k. The Securities and Exchange Board of India (Issue and Listing non Non-Convertible and Redeemable Preferences Shares) Regulation, 2013. - Not applicable to the company during the period under review.
- (vi) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules 2011;
- (vii) Pollution Control Act, Rules and Notification issued thereof;
- (viii) Legal Metrology Act, 2009 and Rules made thereunder;
- (ix) The Factories Act, 1948 and Rules made thereunder;
- (x) Shops and Establishment Act, 1953;
- (xi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;
- (xii) The Maternity Benefits Act, 1961;
- (xiii) The Minimum Wages Act, 1948;
- (xiv) The Payment of Bonus Act, 1965;



- (xv) The Payment of Gratuity Act, 1972;
- (xvi) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xvii) The Payment of wages Act, 1936 and other applicable Industrial and Labour Laws.

I have also examined compliance of Secretarial Standards on Board of Directors (SS-1), General Meetings (SS-2) made effective 1st July 2015 and Dividend (SS-3) made effective 1st January, 2018 (voluntary adoption by the Company) issued by the Institute of Company Secretaries of India.

During the period under review the Company has 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. No changes have taken place in the composition of the Board of Directors during the period under review. Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast 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 dissenting views of the member(s) of the Board of Directors and Committees thereof were captured and minuted whenever arises. However, no such cases has arisen during the period under review.

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.

Sd/-

Dr. Asim Kumar Chattopadhyay

Practising Company Secretary

FCS No. 2303

Certificate of Practice No. 880

Date: 27th April, 2019

Place : Jabalpur

Annexure to Secretarial Audit Report for the financial year ended 31st March, 2019

To,
The Members
Narmada Gelatines Limited
CARAVS, Room No. 28
15 Civil Lines,
Jabalpur – 482001

My Report for the financial year ended 31st March 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial records 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.

Sd/-

Dr. Asim Kumar Chattopadhyay

Practising Company Secretary

FCS No. 2303

Certificate of Practice No. 880

Date: 27th April, 2019

Place : Jabalpur

Annexure – III to the Board's 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. CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy: Nil
2. Steps taken for utilising alternate sources of energy: The Company is evaluating the possibility of installing 1 MW solar energy plant within the factory premises
3. Capital investment on energy conservation equipment: Nil

B. TECHNOLOGY ABSORPTION

1. Efforts in brief made towards technology absorption:
Process control for improvement of yield/clarity of gelatin.
2. Benefits derived as a result of above efforts: Yield and clarity improved.
3. Imported technology (Imported during the last 3 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
4. Expenditure on R&D

} Not applicable as no technology imported

Particulars	2018-19	2017-18
Recurring Expenditure	11.91	15.92
Capital Expenditure	16.07	Nil
Total R&D Expenditure as a % of Total Turnover	0.22%	0.14%

(₹ lacs)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2018-19	2017-18
FOB value of exports	113.25	288.92
Expenditure in Foreign Exchange:		
- Travel for Export Promotion	0.63	0.80
- Others	5.09	9.56

(₹ lacs)

For and on behalf of the Board

Ravindra K. Raje
 Director

Ashok K. Kapur
 Whole-time Director

 27th May, 2019
 Jabalpur

Annexure - IV to the Board's Report
**EXTRACT OF ANNUAL RETURN
FORM No. MGT - 9**

As on the financial year ended 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L24111MP1961PLC016023
ii)	Registration Date	13th 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 - 482001 (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, 40112280 E-mail : rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business Activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/Service	% to total turnover of the company
1	Gelatine	20295	73%
2	DI-Calcium Phosphate – Poultry Feed	10802	24%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Alfamont (Mauritius) Ltd. 33, 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	Ultimate Holding Company	Nil	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Shareholding:

Category of Shareholder	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter									
1 Indian									
(a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Others	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	-	-	-	-	-	-	-	-	-
2 Foreign									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	4537189	-	4537189	75.00	4537189	-	4537189	75.00	-
(d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e) Others	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	4537189	-	4537189	75.00	4537189	-	4537189	75.00	-
Total Shareholding of Promoter Group (A) = (A)(1) + (A)(2)	4537189	-	4537189	75.00	4537189	-	4537189	75.00	-
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	175	350	525	0.01	175	350	525	0.01	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	175	350	525	0.01	175	350	525	0.01	-
2 Non-institutions									
(a) Bodies Corporate									
i) Indian	436946	2475	439421	7.26	401124	2100	403224	6.67	-0.60
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lac	826395	61852	888247	14.68	843183	55582	898765	14.86	0.17
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	139592	-	139592	2.31	158562	-	158562	2.62	0.31
(c) Others	-	-	-	-	-	-	-	-	-
i) NRIs	27601	-	27601	0.46	33734	-	33734	0.56	0.10
ii) Clearing Members	475	-	475	0.01	551	-	551	0.01	0.00
iii) IEPF	16537	-	16537	0.27	17037	-	17037	0.28	0.01
Sub-Total (B)(2)	1447546	64327	1511873	24.99	1454191	57682	1511873	24.99	0.00
Total Public Shareholding (B) = (B) (1) + (B)(2)	1447721	64677	1512398	25.00	1454366	58032	1512398	25.00	0.00
(C) Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Sub-Total (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	5984910	64677	6049587	100.00	5991555	58032	6049587	100.00	0.00

(ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding 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	
1	Alfamont (Mauritius) Limited	4537189	75.00	NIL	4537189	75.00	NIL	
	Total	4537189	75.00	NIL	4537189	75.00	NIL	-

(iii) Change in Promoter's Shareholding:

There was no change in Promoter's shareholding during the year.

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

Sl. No.	Particulars	Shareholding/ Transaction Date	Shareholding at the beginning of the year/ transactions during 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 PRIVATE LIMITED					
	At the beginning of the year	01/04/2018	247119	4.08	247119	4.08
	At the end of the year	31/03/2019			247119	4.08
2	SWARAN FINANCIAL PRIVATE LIMITED					
	At the beginning of the year	01/04/2018	67352	1.11	67352	1.11
	Sold	24/08/2018	4271	0.07	63081	1.04
	Sold	31/08/2018	5620	0.09	57461	0.95
	Sold	07/09/2018	4616	0.08	52845	0.87
	Sold	14/09/2018	688	0.01	52157	0.86
	Sold	28/09/2018	5000	0.08	47157	0.78
	Sold	05/10/2018	1055	0.02	46102	0.76
	Sold	12/10/2018	398	0.01	45704	0.76
	Sold	19/10/2018	29	0.00	45675	0.76
	Sold	02/11/2018	5176	0.09	40499	0.67
	Sold	30/11/2018	1508	0.02	38991	0.64
	Sold	21/12/2018	702	0.01	38289	0.63
	Sold	04/01/2019	1573	0.03	36716	0.61
	Sold	15/03/2019	50	0.00	36666	0.61
	Sold	22/03/2019	1654	0.03	35012	0.58
	At the end of the year	31/03/2019			35012	0.58
3	DEEPAK MADHAV TUDAVEKAR					
	At the beginning of the year	01/04/2018	47830	0.79	47830	0.79
	At the end of the year	31/03/2019			47830	0.79
4	MARUTI BUSINESS SERVICES LIMITED					
	At the beginning of the year	01/04/2018	35343	0.58	35343	0.58
	Sold	30/11/2018	35343	0.58	0	0.00
	At the end of the year	31/03/2019			0	0.00
5	RUPESH BHUTORIA					
	At the beginning of the year	01/04/2018	20000	0.33	20000	0.33
	At the end of the year	31/03/2019			20000	0.33

Sl. No.	Particulars	Shareholding/ Transaction Date	Shareholding at the beginning of the year/ transactions during 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	SATSAHIB SECURITIES PRIVATE LIMITED					
	At the beginning of the year	01/04/2018	18532	0.31	18532	0.31
	At the end of the year	31/03/2019			18532	0.31
7	RADHEY SHYAM VIG					
	At the beginning of the year	01/04/2018	14552	0.24	14552	0.24
	Bought	15/06/2018	1	0.00	14553	0.24
	Bought	22/06/2018	304	0.01	14857	0.25
	Bought	10/08/2018	68	0.00	14925	0.25
	At the end of the year	31/03/2019			14925	0.25
8	KANTA CHHAJER					
	At the beginning of the year	01/04/2018	13186	0.22	13186	0.22
	At the end of the year	31/03/2019			13186	0.22
9	MAYUR MAHENDRABHAI SHAH					
	At the beginning of the year	01/04/2018	13084	0.22	13084	0.22
	At the end of the year	31/03/2019			13084	0.22
10	NARINDER BAJAJ					
	At the beginning of the year	01/04/2018	12150	0.20	12150	0.20
	At the end of the year	31/03/2019			12150	0.20
11	HANUMAN SHARE & STOCK BROKERS LIMITED					
	At the beginning of the year	01/04/2018	0	0.00	0	0.00
	Bought	07/12/2018	35343	0.58	35343	0.58
	At the end of the year	31/03/2019			35343	0.58
12	ANIRUDH DAMANI					
	At the beginning of the year	01/04/2018	12089	0.20	12089	0.20
	Bought	05/10/2018	5000	0.08	17089	0.28
	Bought	26/10/2018	1673	0.03	18762	0.31
	Bought	10/02/2019	27	0.00	18789	0.31
	At the end of the year	31/03/2019			18789	0.31

(V) Shareholding of Directors, their relatives and Key Managerial Personnel:

1	ASHOK KAPUR					
	At the beginning of the year	01/04/2018	1050	0.02	1050	0.02
	At the end of the year	31/03/2019			1050	0.02
2	SANJEEV JAIN					
	At the beginning of the year	01/04/2018	0	0.00	0	0.00
	Bought	31/12/2018	240	0.00	240	0.00
	Bought	04/01/2019	200	0.00	440	0.01
	Bought	01/02/2019	531	0.01	971	0.02
	Bought	22/03/2019	579	0.01	1550	0.03
At the end of the year	31/03/2019			1550	0.03	
3	DEEPAK CHAUDHURI					
	At the beginning of the year	01/04/2018	0	0.00	0	0.00
	Bought	22/04/2018	50	0.00	50	0.00
	At the end of the year	31/03/2019			50	0.00



Sl. No.	Particulars	Shareholding/ Transaction Date	Shareholding at the beginning of the year/ transactions during 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
4	VARSHA RAVINDRA RAJE & RAVINDRA K RAJE					
	At the beginning of the year	01/04/2018	475	0.01	475	0.01
	Bought	13/07/2018	20	0	495	0.01
	Bought	03/08/2018	5	0	500	0.01
	Bought	19/10/2018	20	0	520	0.01
	Bought	09/11/2018	5	0	525	0.01
	Bought	15/02/2019	9	0	534	0.01
	Bought	15/03/2019	25	0	559	0.01
	At the end of the year	31/03/2019			559	0.01
5	KIRTI VERMA & MAHESH VERMA					
	At the beginning of the year	01/04/2018	150	0	150	0.00
	At the end of the year	31/03/2019			150	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ lacs)

Particulars	Secured loans excluding deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		
i. Principal Amount	-	-
ii. Interest due but not paid	0.31	0.31
iii. Interest accrued but not due	-	-
Total (i+ii+iii)	0.31	0.31
Change in Indebtedness during the financial year		
• Addition	883.56	883.56
• Reduction	(680.73)	(680.73)
Net change	202.83	202.83
Indebtedness at the end of the financial year		
i. Principal Amount	201.97	201.97
ii. Interest due but not paid	1.17	1.17
iii. Interest accrued but not due	-	-
Total (i+ii+iii)	203.14	203.14

Note: Secured loans represents bank overdraft against security of mutual funds.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Ashok K Kapur Wholetime Director	Total (₹ lacs)
1	Gross salary (a) Salary as per provisions of 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	35.44 - -	35.44 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others	-	-
	Total (A)	35.44	35.44
	Ceiling as per the Act		46.88*

*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 (₹ lacs)
1	Independent Directors	Jt. Gulab Gupta	Mohan C. Pant	Deepak Chaudhari	
	Fees for attending Board/Committee meetings	0.81	0.79	0.81	2.41
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	0.81	0.79	0.81	2.41
2	Other Non-Executive Directors	Sanjeev Jain	Ravindra K. Raje	Drushiti R. Desai	
	Fees for attending Board/Committee meetings	0.65	0.47	0.15	1.27
	Commission	-	-	-	-
	Total (2)	0.65	0.47	0.15	1.27
	Total (B)=(1+2)				3.68
	Overall Ceiling as per the Act				9.38*

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

Total Managerial Remuneration (A+B)

39.12

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹ lacs)
		Mahesh Verma Company Secretary	Garvita Asati CFO	
1	Gross salary (a) Salary as per provisions of 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	12.88 - -	4.89 - -	17.77 - -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	Total (C)	12.88	4.89	17.77

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other Officers in default, during the year.



Annexure - V to the Board's 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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 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 2018-19 (₹ lacs)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of KMP against the performance of the Company
1	Justice Gulab Gupta - Director*	-	-	-	
2	Deepak Chaudhuri - Director*	-	-	-	
3	Mohan C Pant - Director*	-	-	-	
4	Sanjeev Jain - Director*	-	-	-	
5	Ravindra K Rajee - Director*	-	-	-	
6	Drushti Desai - Director*	-	-	-	
7	Ashok K Kapur - Wholetime Director	35.44	0.14%	16.32	Profit after tax increased by 21% in the financial year 2018-19
8	Mahesh Verma - Company Secretary	12.88	7.32%	Not Applicable	
9	Garvita Asati - Chief Financial Officer	4.89	6.54%	Not Applicable	

* The Non-Executive Directors of the Company are only entitled to sitting fees as per the statutory provisions, the details of which are provided in the Corporate Governance Report.

- ii) The median remuneration of employees of the Company during the financial year 2018-19 was ₹ 2.17 lacs.
- iii) In the financial year 2018-19, there was an increase of 4.51% in the median remuneration of employees.
- iv) There were 199 permanent employees on the rolls of Company as on 31st March, 2019.
- v) Relationship between average increase in remuneration and company performance: The Profit after tax for the financial year ended March 31, 2019 increased by 21% whereas the average remuneration increased by 0.57%, which is mainly on account of retirement of higher paid employees during the year.
- 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 2.24% whereas the Profit after tax increased by 21%.
- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2019 was ₹ 7692.05 lacs, as compared to ₹ 8908.02 lacs as on 31st March 2018.
- b) Price Earnings ratio of the Company was 7.64 as at 31st March, 2019 as compared to 10.88 as at March 31, 2018.
- 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 (Rights Issue) in 1994-95. An amount of ₹ 1000 invested in the said Rights Issue / IPO would be worth ₹ 19073 as on 31st March, 2019 indicating a compounded annual growth rate of 13.07% excluding the dividends paid out since the Rights Issue.
- viii) Average percentage increase in the salaries of employees other than the Key Managerial Personnel in the financial year i.e. 2018-19 was 0.11% whereas the managerial remuneration for the same financial year was increased by 2.24%, which is mainly on account of retirement of higher paid employees during the year.
- 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 - None of the employees are in receipt of remuneration in excess of the highest paid director.
- xi) 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

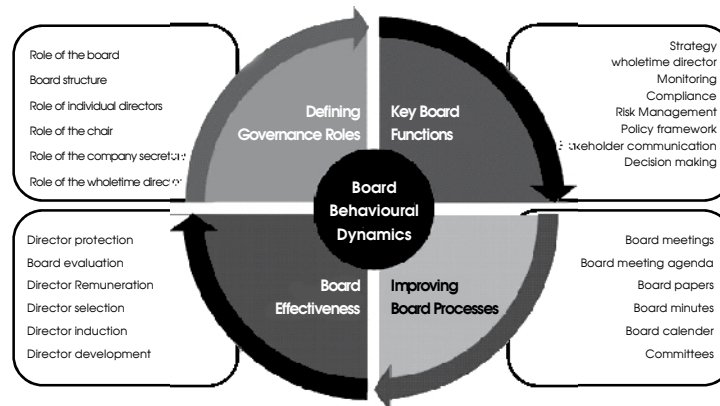
Corporate Governance is the implementation of best management practices, compliance of law and voluntary adherence to ethical standards which are inevitable for achieving organisational efficiency, enhancing shareholders value and discharge of social responsibility. The principle of good corporate governance 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.

Governance practices may vary but the principles are generic and universal, viz. commitment of the Board in managing business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders. With increasing complexities in business of organizations, sound governance practices are indispensable to build and sustain trust.

Good corporate governance practices are also essential for a sustainable business model for generating long term value for the stakeholders.

The Company is committed to run its business in a legal, ethical and transparent manner with dedication that prevails throughout the organization. This report sets out the compliance status for the Company with the requirements of corporate governance, for the financial year 2018-19.

CORPORATE GOVERNANCE FRAMEWORK



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. Your Company has based its principles of Corporate Governance philosophy on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders. 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.

Your Company is in compliance with the requirements of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). 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 following 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

BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in various areas.

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.

The Company Secretary is primarily responsible for ensuring 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 and that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making.

The Board comprises of seven Directors - one Executive Director (Wholetime Director), three Non-Executive Non-Independent Directors (including one Woman Director) and three Non-Executive Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors are related to each other.

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 SEBI Listing Regulations, across all the companies in which he/she is a Director Necessary disclosures regarding Committee positions in other public companies as at March 31, 2019 have been made by the Directors.

Composition and category of Directors vis-à-vis their attendance at meetings

Details of attendance of Directors at Board Meetings and at the last year's Annual General Meeting together with particulars of their Directorship and Chairmanship/Membership of Board Committees as on 31st March, 2019, are as under:

Name of Directors	Category#	Attendance at			Directorships and Chairmanship/Memberships of Board Committees in Indian Public Companies		
		Board Meetings Held	Attended	AGM 26.09.2018	Directorships*	Committee Membership*	Committee Chairmanship*
Justice Gulab Gupta	ID	4	4	Yes	-	1	1
Mr. Deepak Chaudhuri	ID	4	4	Yes	-	1	-
Mr. Mohan C. Pant	ID	4	4	Yes	-	2	1
Mr. Sanjeev Jain	NI & NED	4	4	Yes	2	2	1
Mr. Ravindra K. Raje	NI & NED	4	3	Yes	2	2	-
Mr Ashok K. Kapur	ED	4	4	Yes	1	1	-
Mrs. Drushti R. Desai	NI & NED	4	1	No	2	4	1

Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship#
Mrs. Drushti R. Desai	Kewal Kiran Clothing Limited	ID
	Chemfab Alkalis Limited	ID

ID: Independent Director; NI: Non-Independent Director; NED: Non-Executive Director; ED: Executive Director

*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 Stakeholders' Relationship Committees of Public Limited Companies have been considered.

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, he/she does not hold the position of Independent Director in more than three listed companies.

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. During the year ended 31st March, 2019, the Company held four Board meetings. The dates of which the Board Meetings were held were: 29th May, 2018, 7th August, 2018, 13th November, 2018 and 7th February, 2019.

Skills / Expertise / Competencies of the Board of Directors

The core skills, expertise and competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge about the Company's business and industry in which the company operates. Knowledge about the company's policies, major risks, threats and opportunities.
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Problem solving, innovation skill and leadership qualities.
- Business Strategy, Sales & Marketing, Corporate Governance.
- Financial, Investment and Management skills
- Technical / Professional skills and specialized knowledge about production and process of the Company
- Legal knowledge - Law including corporate, labour, industrial, taxation laws, etc.

**Profile of Directors**

A brief profile of Director 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, if any, are provided below:

Director(s) retiring by rotation

Mr. Ravindra K Raje (DIN 00112003) is a Fellow member of the Institute of Chartered Accountants of India and a qualified Company Secretary and a Bachelor of Law. He has an experience of 38 years in industry and consultancy assignments. He is presently on the Board of GWL Properties Limited, Dandvati Investments and Trading Company Pvt. Ltd., Harshit Finlease & Investments Pvt. Ltd., Jumbo World Holdings (India) Pvt. Ltd., Jumbo Electronics Corporation Pvt. Ltd., Narmada Gelatines Ltd., Primo Enterprises Private Ltd., SMN Engineers Ltd., L'Aquila Investments Co. Pvt. Ltd., Viman Investments Pvt. Ltd., Wizer Advertising Pvt. Ltd., Aasman Management Services Pvt. Ltd., Derby Electricals (India) Pvt. Ltd.

He holds 559 equity shares of the Company as on 31st March, 2019.

Re-appointment of Wholetime Director

Mr. Ashok K. Kapur (DIN - 00126807) is a Mechanical Engineer having 48 years of experience in Gelatine industry. He is ex-Chairman of Ossein & Gelatine Manufacturers' Association of India and Director of Gelatine Manufacturers Association of Asia Pacific and ex-Chairman Ossein and Gelatine Panel CAPEXIL.

At present, he is also on the Board of Directors of M/s GWL Properties Limited, Jumbo World Holdings (India) Pvt. Ltd., Jumbo Electronics Corporation Pvt. Ltd., Firestorm Electronics Corporation Pvt. Ltd., Primo Enterprises Pvt. Ltd., Viman Investments Pvt. Ltd., Aasman Management Services Pvt. Ltd., Dandvati Investments and Trading Company Pvt. Ltd.

He holds 1050 equity shares of the Company as on 31st March, 2019.

Board Procedure

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 / 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/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 Committees 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, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

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 of the company
- Minutes of meetings of board, audit committee and other committees of the board
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary
- 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

Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act and rules thereunder. Formal letters of appointment have been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the company's website at www.narmadagelatines.com

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 6th February, 2019, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the meeting, the Independent Directors:

- reviewed the performance of Non-Independent Directors and the Board as a whole;
- assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their 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.

Directors' Familiarization programme:

The Company has an orientation process/familiarization programme for its independent and other directors that includes briefing on their role, responsibilities, duties, and obligations as a member of the Board, nature of business of the Company, plant visit, manufacturing process, quality, safety measures in place, CSR activities etc., matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc. and introduction to senior management team. This provides insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company.

As a process, when a new independent director is appointed, a detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

Efforts are made to continually update the Independent Directors on all important developments within the Company and regulatory changes viz. sharing important developments in the industry, the company's internal environment and external environment, industrial relations, updates on demand and supply situation for the Company's products, etc.

All new directors appointed on the Board go through an orientation process/familiarization programme. At the time of appointment of an independent director, a formal letter of appointment is issued by the Company which contains their role, functions, duties and responsibilities. The format of the letter of appointment is available on the company's website (www.narmadagelatines.com). The details of training and familiarization program are provided in the Corporate Governance Report and also available on the website of the company.

Directors and Board Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, 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 Committee, Nomination and Remuneration Committee and other Committees.

An evaluation of the performance of individuals, on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. was carried out. 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 satisfaction with the evaluation process.

BOARD COMMITTEES

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

1. Audit Committee

The Audit Committee assists 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 statements before their submission to the Board. The Audit Committee shall have authority to investigate any matter within the terms of reference or referred to it by the Board.

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Audit Committee, inter-alia, are as follows:

- 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 is 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 whole-time 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.

Composition and Attendance during the year

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:

Director	Category	No. of Meetings held	No. of Meetings attended
Justice Gulab Gupta - Chairman	Non-Executive Independent Director	4	4
Mr. Deepak Chaudhuri	Non-Executive Independent Director	4	4
Mr. Mohan C. Pant	Non-Executive Independent Director	4	4
Mrs. Drushti R. Desai	Non-Executive Director	4	-

During the financial year 2018-19 Audit Committee met 4 times and the gap between two meetings did not exceed 120 days. The dates on

which Audit Committee Meetings held were: 29th May, 2018, 7th August, 2018, 13th November, 2018 and 6th February, 2019. Necessary quorum was present at the above Meetings.

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 the Secretary of the Audit Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 26th September, 2018.

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

Internal Controls

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

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.

Composition and Attendance during the year

The composition of the NRC and the details of meetings attended by its members during the financial year ended 31st March, 2019, are given below:

Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Deepak Chaudhuri – Chairman	Non - Executive Independent Director	2	2
Justice Gulab Gupta	Non - Executive Independent Director	2	2
Mr. Sanjeev Jain	Non - Executive Director	2	2

The Nomination and Remuneration Committee met two times during the financial year 2018-19 i.e., on 29th May, 2018, and 13th November, 2018. The Chairman of the Committee was present at the Annual General Meeting of the Company held on 26th September, 2018.

Remuneration Policy

The Nomination and Remuneration Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, CEO, CFO, Managing Director and Wholetime Director and their remuneration. The Policy is available on the company's website (www.narmadagelatines.com).

Details of remuneration paid during the financial year 2018-19:

a) Non-Executive Directors

The Company pays sitting fee of ₹15,000/- per meeting to the Non-Executive Directors for attending Meetings of the Board, ₹4000/- per meeting for attending the Audit Committee Meeting and ₹2500/- per meeting for Nomination and Remuneration Committee and Stakeholder's Relationship Committee Meeting.

Sitting fees paid to the Non-Executive Directors for 2018-19 are as detailed below:

S. No.	Director's Name	(₹ lacs)
1	Justice Gulab Gupta	0.81
2	Mr. Mohan C. Pant	0.79
3	Mr. Deepak Chaudhuri	0.81
4	Mr. Ravindra K. Raje	0.47
5	Mr. Sanjeev Jain	0.65
6	Mrs. Drushti R. Desai	0.15
	TOTAL	3.68

b) Wholetime Director and Executive Director(s)

The aggregate value of the salary and perquisites paid for the year ended 31st March, 2019 to the Whole-time Director was ₹35.44

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 2 years from the date of appointment and the same can be terminated by either party by giving three months' notice in writing.

3. Stakeholders' Relationship Committee

The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

The Committee specifically looks into the various aspects of interest of shareholders, debenture holders and other security holder.

In terms of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations, the terms of reference of the Stakeholders Relationship Committee are as under:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company. 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 composition of the Stakeholders' Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2019 are as under:

Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Mohan C. Pant – Chairman	Non-Executive Independent Director	1	1
Mr. Ashok K. Kapur	Whole-Time Director	1	1
Mr. Ravindra K. Raje	Non-Executive Director	1	1

During the financial year 2018-19, the Committee met on 6th February, 2019. The Committee oversees the status of investors' grievances. During the year, two investor complaints were received by the Company. As on 31st March, 2019, there were no complaints pending for reply.

Mr. Mahesh Verma, Head – Finance & Secretarial 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.

4. Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The terms of reference of the CSR Committee 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 Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company (www.narmadagelatines.com). The Annual Report on CSR activities for the year 2018-19 forms part of the Board's Report.

The composition of the CSR Committee and the details of members' participation at the meetings of the Committee are as under:

Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Mohan C. Pant – Chairman	Non-Executive Independent Director	3	3
Mr. Sanjeev Jain	Non-Executive Director	3	3
Mr. Ashok K Kapur	Whole-Time Director	3	3

During the financial year 2018-19, three CSR Committee meetings were held i.e. on 29th May, 2018, 7th August, 2018 and 6th February, 2019.

5. Risk Management Committee

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements), 2015. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Committee is responsible for reviewing the Risk Management Plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Business Risk Evaluation and Management is an ongoing process within the organisation. 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 Risk 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 and the details of members' participation at the meetings of the Committee are as under:

Director / Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Ravindra K. Raje-Chairman	Non-Executive Director	1	1
Mr. Ashok K. Kapur	Whole-Time Director	1	1
Mr. Sudhir K. Shrivastava	Factory Manager	1	1
Mr.S. Bhattacharya	Head-Purchase & Maintenance	1	1

During the financial year 2018-19, one meeting of the committee was held on 6th February, 2019.

CODE OF BUSINESS CONDUCT & ETHICS

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and the Companies Act, 2013 the Board of the Company has adopted the Code of Business Conduct & Ethics ('the Code'). The Code is applicable to all Directors and Senior management personnel of the Company. 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 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). 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, 2019, 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:

AGM	Year	Venue	Date & Time	Special Resolutions
55th	2015-16	Hotel Narmada Jacksons, South Civil Lines, Jabalpur	Thursday, 22nd September, 2016 at 11:30 a.m.	Re-Appointment of Mr Ashok K. Kapur, as the Wholetime Director
56th	2016-17	Hotel Narmada Jacksons, South Civil Lines, Jabalpur	Wednesday, 20th September, 2017 at 11:30 a.m.	None
57th	2017-18	Hotel Satya Ashoka, Wright Town, Jabalpur	Wednesday, 26th September, 2018 at 11:30 a.m.	None

Postal Ballot

During the financial year 2018-19 the company has sought the approval of the shareholder by way of Special Resolutions through postal ballot, which was duly passed. The details of which are as follows:

Date of postal ballot notice: 28th February, 2019 Voting period: 28th February 2019 to 29th March, 2019

Date of declaration of results: 30th March, 2019 Date of approval: 30th March, 2019

S.No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1	Continuation of Justice Gulab Gupta (DIN 00191368) as an Independent Director	Special	4791749	4789210	99.95	2529	0.05
2	Continuation of Mr. Mohan C Pant (DIN 00257707) as an Independent Director	Special	4791749	4789210	99.95	2529	0.05

Dr. Asim Kumar Chattopadhyay, Company Secretary in practice was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot

In compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Act and the rules made thereunder, the Company provides e-voting facility to all its Members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appear on register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to Members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding)/or to the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the rules made thereunder.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot and e-voting are then announced by the Chairman / Director of the Company. The results are also displayed on the website of the Company at www.narmadagelatines.com besides being communicated to the stock exchanges, depository and Registrar and Share Transfer Agent.

Remote e-voting and ballot voting at the AGM

The company has arranged for remote e-voting facility for the shareholders to vote on the resolutions to be passed at the ensuing AGM. Members whose names appear on the register of member as on 18th September, 2019, shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM, and the members who have not casted their votes by remote e-voting can exercise their votes at the AGM.

DISCLOSURES**Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulations of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, during the financial year were in the ordinary course of business and on an arms-length pricing basis and 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 interests of the Company. Attention of the Shareholders is drawn to the disclosure of transactions with the related parties set out in Notes on Financial Statements, forming part of the Annual Report.

The Policy for related party transactions is available on the Company's website (www.narmadagelatines.com).

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.

CEO & MD / CFO Certification

The CEO & WTD and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements), 2015 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 behavior. 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.

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 Directors and 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 BSE website www.listing.bseindia.com and the Company's website 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 redressal 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 SHAREHOLDER'S 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** : Wednesday, 25th September, 2019 at 11:30 am
- **Day, Date, Time & Venue** : Hotel Narmada Jacksons, South Civil Lines, Jabalpur
- **Financial Year** : April 1 to March 31



- **Financial Calendar 2019-20** :
 First Quarter Results : 1st August to 14th August 2019
 Second Quarter Results : 1st November to 15th November, 2019
 Third Quarter Results : 1st February to 15th February, 2020
 Results for the Fourth Quarter/
 Annual Results for the year
 ending on 31st March, 2019 : 15th May to 30th May 2020
- **Book Closure period** : 19th September, 2019 to 25th September, 2019 (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 25th September, 2019 to those shareholders whose names appear on the Company's Register of Members on 18th September, 2019.
- **Listing of Shares and other Securities** : Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
- **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 2018-19 at the Bombay Stock Exchange Limited (BSE) were as under: (₹ per share)

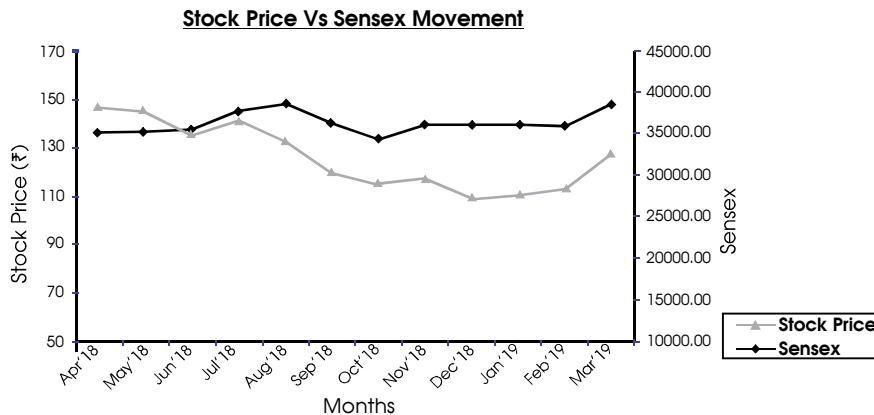
Month	High Price	Low Price
Apr'18	168.40	140.30
May'18	157.80	141.30
Jun'18	148.30	133.75
Jul'18	145.00	125.00
Aug'18	144.90	128.00
Sep'18	142.45	119.00
Oct'18	131.70	112.50
Nov'18	130.00	100.05
Dec'18	123.70	105.55
Jan'19	118.00	107.00
Feb'19	122.00	107.00
Mar'19	135.70	111.05

(Source BSE website)

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

		BSE
Company's Share Price	As on 1.04.2018	142.50
	As on 31.03.2019	127.15
	Change	-10.77%
BSE Sensex	As on 1.04.2018	33030.87
	As on 31.03.2019	38672.91
	Change	17.08%

• **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
2013-14	50%
2014-15	35%*
2015-16	40%
2016-17	40%
2017-18	40%
2018-19 (Proposed)	100%

* after bonus issue of 1:2

- 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 a Share Transfer Committee, under supervision of Stakeholders' Relationship Committee of the Board.

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 (quarterly) and the Annual Reports (annually) are being uploaded on www.listing.bseindia.com
- 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 Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements), 2015.

- Distribution of Shareholding**

The distribution of shareholding as on 31st March 2019 is given below:

Range (No. of shares)	Shareholders		Equity Shares	
	Nos.	% to Total Shareholders	Nos.	% to Total Shares
Upto 500	2161	83.15	284741	4.71
501 - 1000	224	8.62	171883	2.84
1001 - 2000	102	3.92	149269	2.47
2001 - 3000	39	1.50	99677	1.65
3001 - 4000	20	0.77	68782	1.14
4001 - 5000	14	0.54	61646	1.02
5001 - 10000	23	0.88	154595	2.55
10001 and above	16	0.62	5058994	83.62
TOTAL	2599	100.00	6049587	100.00

- Dematerialisation of shares as on 31st March, 2019**

99.04% of total Equity Share Capital of the Company is held in dematerialised form with NSDL & CDSL.

Category	No. of shares	%
Demat	5991555	99.04
Physical	58032	0.96
TOTAL	6049587	100.00



• **Shareholding pattern of the Company as on 31st March, 2019**

Category	No. of shares	% holding
Promoters	4537189	75.00
NRIs	33734	0.56
Indian Institutions	525	0.01
Nationalised Banks	Nil	Nil
Domestic Companies	403224	6.66
Public Shareholders	1054519	17.43
Directors / Relatives	3359	0.06
IEPF	17037	0.28
TOTAL	6049587	100.00

• **Registered Office**

'Caravs', Room No. 28
15 Civil Lines, Jabalpur – 482001 (M.P.) Ph.: (0761) 2678627

• **Address for Correspondence**

To the Company:

Narmada Gelatines Limited
28 Caravs, 15 Civil Lines
P.O. Box No. 91, Jabalpur - 482001

To the Registrar & Share transfer Agents:

C.B. Management Services Pvt. Ltd
P-22 Bondel Road
Kolkata-700 019
Phone: (033) 40116700, 2280 Fax: (033) 40116739
Email: rta@cbmsl.com

• **Plant Location**

Meerganj, Bheraghat Road, Jabalpur, M.P

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

As required under 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, 2019 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 money for the years 2011-12 to 2017-18 lying in the unclaimed accounts of the Company before the due dates (as indicated in the Notes to the Notice).

During the financial year 2018-19, the Company has transferred to the Investor Education and Protection Fund, unclaimed dividends as detailed hereunder:

Equity Share Unclaimed Dividend 2010-11 : ₹ 2,02,904/-

• **Transfer of Equity Shares to Investor Education and Protection Fund**

As required under Section 124 of the Act, 500 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

• **CEO/ CFO Certificate**

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 Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. 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 Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.



The annual certificate for the financial year ended 31st March, 2019, given by the Whole-time Director and Chief Financial Officer of the Company is published hereunder:

To,
The Board of Directors Narmada Gelatines Ltd. Jabalpur

Sub: Compliance Certificate for the year ended 31st March, 2019 as per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Sir,

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 were 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, if any;
2. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant frauds of which we 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/- Sd/-

Ashok K. Kapur **Garvita Asati**
(Whole Time Director) (Chief Financial Officer)

Place : Jabalpur
27th May, 2019

- **Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

- **Certificate on Corporate Governance**
A compliance certificate from Dr. Asim Kumar Chattopadhyay, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, is attached to the Directors' Report forming part of the Annual Report.

On behalf of the Board of Directors

Place : Jabalpur
Date : 27th May, 2019

Ravindra K. Raje
Director

Ashok K. Kapur
Whole-time Director

**PRACTISING COMPANY SECRETARY'S CERTIFICATE ON INDEPENDENT DIRECTORS****To the Members of Narmada Gelatines Limited**

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sd/-

Dr. Asim Kumar Chattopadhyay

FCS No. 2303

CP No. 880

Place: Jabalpur

Date: 27th April, 2019

CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of Narmada Gelatines Limited**

I have examined the compliance of the conditions of Corporate Governance by Narmada Gelatines Limited ('the Company') for the year ended on 31st March 2019, as stipulated in The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as "Listing Regulations");

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations during the year ended 31st March, 2019.

I 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.

Sd/-

Dr. Asim Kumar Chattopadhyay

FCS No. 2303

CP No. 880

Place: Jabalpur

Date: 27th April, 2019



INDEPENDENT AUDITOR'S REPORT

To The Members of NARMADA GELATINES LIMITED

Opinion

We have audited the financial statements of NARMADA GELATINES LIMITED ("the Company"), which comprise of Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

Management responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our



opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) 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 (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's report in accordance with the 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No.- 33 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lodha & Co.
Chartered Accountants
Firm Registration No: 301051E

A. M. Hariharan
Partner
Membership No. 38323

Jabalpur
27th May, 2019

“ANNEXURE A”

ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH, 2019

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
 - b) As explained to us, the Company has a phased program for physical verification of property, plant and equipment (fixed assets) over a period of three years. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its property, plant and equipment (fixed assets). Pursuant to the program of the physical verification of fixed assets, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.
 - c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operations of the company and the same has been properly dealt within the books of accounts.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loans, made investments, provided guarantees and security during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. No deposits within the meaning of directives issued by Reserve Bank of India and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Orders are not applicable to the Company.
7.
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the disputed dues on account of income tax, Excise duty, goods and service tax, and Sales tax which have not been deposited as at 31st March, 2019 is as under:

Nature of Statute	Period to which it relates	Amount ₹ lacs	Forum at which it is pending
Income Tax	2012-13	5.50	Commissioner Appeals
Excise Duty	2000-03	241.63	High Court, Jabalpur
Sales Tax	2004-05	1.32	Appellate Tribunal Bhopal
Sales Tax	2005-06	8.72	Appellate Tribunal Bhopal
Sales Tax	2009-10	4.32	Appellate Tribunal Bhopal
Sales Tax	2012-13	3.63	Deputy Commissioner
Land Revenue Tax	2017-18	25.97	Additional District Magistrate



8. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company has not taken any loans or borrowings from financial institution, government and debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration has been paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 34 to the Financial Statements.
14. The Company has not made preferential allotment or private placement of shares during the year.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Lodha & Co.
Chartered Accountants
Firm Registration No: 301051E

A. M. Hariharan
Partner
Membership No. 38323

Jabalpur
27th May, 2019

“ANNEXURE B”

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of NARMADA GELATINES LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or



error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

For Lodha & Co.

Chartered Accountants
Firm Registration No: 301051E

A. M. Hariharan

Partner
Membership No. 38323

Jabalpur
27th May, 2019

BALANCE SHEET
as at 31st March, 2019

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	2423.03	2534.21
Capital work-in-progress	4	111.18	0.21
Intangible assets	5	0.13	0.58
Financial assets:			
- Investments	6	5276.93	4931.88
Other non-current assets	7	10.44	3.86
Total Non-Current Assets		<u>7821.71</u>	<u>7470.75</u>
CURRENT ASSETS			
Inventories	8	2877.11	2952.29
Financial assets:			
- Investments	9	1503.10	325.27
- Trade receivables	10	1915.94	1910.93
- Cash and cash equivalents	11	151.03	264.19
- Bank balances other than above	12	835.59	775.28
- Loans	13	19.95	20.59
- Other financial assets	14	125.09	129.85
Current tax assets (net)		17.58	35.47
Other current assets	15	190.48	124.29
Total Current Assets		<u>7635.87</u>	<u>6538.17</u>
TOTAL ASSETS		<u>15457.58</u>	<u>14008.92</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	605.03	605.03
Other equity		12473.35	11774.44
Total Equity		<u>13078.38</u>	<u>12379.47</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities (net)	17	649.03	558.76
Total Non-Current Liabilities		<u>649.03</u>	<u>558.76</u>
CURRENT LIABILITIES			
Financial liabilities:			
- Borrowings	18	203.15	0.31
- Trade payables	19		
(i) Total outstanding dues of micro enterprises and small enterprises		38.53	26.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1178.89	801.00
- Other financial liabilities	20	67.60	60.48
Other current liabilities	21	117.80	99.65
Provisions	22	124.20	83.22
Total Current Liabilities		<u>1730.17</u>	<u>1070.68</u>
TOTAL EQUITY AND LIABILITIES		<u>15457.58</u>	<u>14008.92</u>
Significant Accounting Policies	2		

 The accompanying notes are an integral part of the financial statements
 As per our report of even date

For LODHA & CO.
 Firm Regn. No. – 301051E
 Chartered Accountants

A. M. Hariharan
 Partner
 Membership No. 038323
 Place : Jabalpur
 Date : 27th May, 2019

For and on behalf of the Board

Ravindra K Raje
 Director
 DIN:00112003

Mahesh Verma
 Company Secretary

Ashok K Kapur
 Wholetime Director
 DIN:00126807

Garvita Asati
 Chief Financial Officer

STATEMENT OF PROFIT & LOSS
for the year ended 31st March, 2019

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
Revenue from operations	23	12568.21	11761.23
Other income	24	545.49	439.79
Total Income		<u>13113.70</u>	<u>12201.02</u>
EXPENDITURE			
Cost of materials consumed	25	7227.72	6835.80
Changes in inventory of finished goods, work-in-progress & stock-in-trade (increase)/decrease	26	72.34	633.52
Employee benefits expense	27	1097.64	995.49
Finance costs	28	8.14	3.67
Depreciation and amortisation expense	29	131.45	115.13
Power & Fuel		2393.96	1949.42
Other expenses	30	858.59	818.07
Total expenses		<u>11789.83</u>	<u>11351.10</u>
Profit before exceptional items and tax		<u>1323.87</u>	<u>849.92</u>
Exceptional Items		-	-
Profit before tax		<u>1323.87</u>	<u>849.92</u>
Tax Expense			
Current Year		228.24	153.96
Deferred Tax		89.32	(86.17)
Tax Adjustment for earlier years		-	(21.56)
		<u>317.56</u>	<u>46.23</u>
Profit after taxation		<u>1006.31</u>	<u>803.69</u>
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		15.47	(15.22)
Total Comprehensive Income		<u>990.84</u>	<u>818.92</u>
Earning per Equity Share of Face Value of ₹ 10 each			
Basic and Diluted Earnings per Share (₹)	35	16.63	13.29
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For LODHA & CO.

 Firm Regn. No. – 301051E
Chartered Accountants

A. M. Hariharan

 Partner
Membership No. 038323
Place : Jabalpur
Date : 27th May, 2019

For and on behalf of the Board

Ravindra K Rajee
Director
DIN:00112003

Mahesh Verma
Company Secretary

Ashok K Kapur
Wholetime Director
DIN:00126807

Garvita Asati
Chief Financial Officer

STATEMENT OF CASH FLOWS
for the year ended 31st March, 2019

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash Flow from Operating Activities :		
Net profit before tax	1323.87	849.93
Adjustments for :		
Depreciation and amortization expense	131.45	115.13
Interest income	(66.49)	(81.80)
Profit on redemption / fair value of investments	(432.62)	(251.61)
Finance costs	8.14	3.67
Loss/(Profit) on impairment / sale of property, plant and equipment	4.07	6.95
Sundry debit balances written off	2.57	13.64
Provision for liability no longer required written back	-	(8.04)
Sundry balances written back	(3.04)	(15.92)
Doubtful debts recovered	(19.50)	35.31
OCI of post employment benefit	(15.47)	-
Net unrealised exchange (gain)/loss	(2.28)	(3.95)
Operating profit before working capital changes	(393.19)	(3.95)
	930.68	663.31
Adjustments for :		
Increase in trade and other receivables	(5.29)	(350.64)
Decrease in inventories	75.18	870.54
Decrease in long term loans & advances	0.64	-
Decrease in loans	11.34	7.61
(Increase) Decrease in other current Assets	(66.19)	271.70
Increase/(Decrease) in trade payables	393.43	(197.43)
Increase/(Decrease) in short term provisions	40.98	(12.17)
Increase/(Decrease) in other current liabilities	18.15	(136.12)
Cash generated from operating activities	468.25	(136.12)
	1398.93	1116.80
Taxes paid	(203.75)	(199.16)
Net cash from operating activities (A)	1195.18	917.64
B. Cash Flow from Investing Activities :		
Sale of property, plant and equipment	1.91	-
Purchase of property, plant and equipment	(136.76)	(502.96)
Purchase of non-current investments	(967.35)	(2,777.33)
Redemption of non current investments	579.55	2,543.11
(Increase) / Decrease in the fixed deposits	(30.45)	437.40
Interest received	66.49	81.80
Net cash used in investing activities (B)	(486.61)	(217.97)
C. Cash Flow from Financing Activities:		
Dividend paid including tax thereon	(288.68)	(291.24)
Net increase/(decrease) in short term borrowings	209.96	0.31
Amount transferred to IEPF:		
Unpaid dividend amount	(2.03)	(1.01)
9% Preference shares redemption amount	-	(6.31)
Finance costs	(8.14)	(3.67)
Net cash used in financing activities (C)	(88.89)	(301.93)
Net Increase in Cash and Cash Equivalents (A) + (B) + (C)	619.68	397.74
Cash and Cash Equivalent at the beginning of the year	755.32	357.58
Cash and Cash Equivalent at the end of the year	1375.00	755.32
	As at	As at
	31st March 2019	31st March 2018
Cash in hand	8.57	7.23
Balance with Scheduled Banks	199.33	293.47
Deposits (with maturity of less than 3 months)	187.14	177.12
Current investments	979.96	277.50
TOTAL	1375.00	755.32

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

For LODHA & CO.

 Firm Regn. No. - 301051E
 Chartered Accountants

A. M. Hariharan

 Partner
 Membership No. 038323
 Place : Jabalpur
 Date : 27th May, 2019

For and on behalf of the Board

Ravindra K Rajee

 Director
 DIN:00112003

Mahesh Verma

Company Secretary

Ashok K Kapur

 Wholetime Director
 DIN:00126807

Garvita Asati

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

(All amounts in Indian rupee lacs, unless otherwise stated)

EQUITY SHARE CAPITAL

Particulars	Notes	As at	As at
		31st March 2019	31st March 2018
Issued, Subscribed and Paid up	16	604.96	604.96
Forfeited Shares		0.07	0.07
TOTAL		605.03	605.03

OTHER EQUITY

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings		
As at 1st April, 2017	7.51	425.37	2200.52	8599.17	(14.19)	11246.77
Transfer to retained earnings	-	-	-	803.69	(15.22)	818.92
Dividend	-	-	-	(291.24)	-	(291.24)
(including dividend distribution tax of ₹ 49.26 lacs)						
As at 31st March, 2018	7.51	425.37	2200.52	9111.63	(29.41)	11774.44
Transfer to retained earnings	-	-	-	1006.31	15.47	990.84
Dividend	-	-	-	(291.24)	-	(291.24)
(including dividend distribution tax of ₹ 49.26 lacs)						
As at 31st March, 2019	7.51	425.37	2200.52	9826.70	(13.94)	12473.35

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For LODHA & CO.

 Firm Regn. No. – 301051E
 Chartered Accountants

Ravindra K Raje

 Director
 DIN:00112003

Ashok K Kapur

 Wholetime Director
 DIN:00126807

A. M. Hariharan

 Partner
 Membership No. 038323

Mahesh Verma

Company Secretary

Garvita Asati

Chief Financial Officer

Place : Jabalpur

Date : 27th May, 2019



NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

1. CORPORATE INFORMATION

Narmada Gelatines Ltd. was set up in 1961 as Leiner Knit Gelatin Company Pvt. Ltd. The Company was converted into a Public Company and registered as Shaw Leiner Limited in 1969. In the year 1979, the name of the Company was changed to Shaw Wallace Gelatines Limited, and in the year 2002, the Company was renamed as Narmada Gelatines Limited. The Company 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.

The financial statements were approved for issue by the Board of Directors on 27th May, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention, except for certain financial assets and liabilities measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Current and Non-current classification:

- (i) The assets and liabilities in the Balance Sheet are based on current / non - current classification. An asset as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle of twelve months
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- (ii) A liability is current when:
- Expected to be settled in normal operating cycle
 - Held primarily for the purpose of trading
 - Due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

(ii) Use of Estimates

The preparation of the financial statements is in conformity with the Ind AS, 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 actual 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) Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment: 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 31st March 1993 by an approved valuer and accordingly the net replacement cost are stated.

Intangible assets: Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment, if any Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost or revalued amount are recognized in the Statement of Profit and Loss.

(iv) Depreciation / Amortisation

Depreciation is provided on the basis of the useful lives of the Property, Plant and Equipments as estimated by management and which are in line with the useful lives prescribed under Section 123 read with Schedule II of the Companies Act, 2013.

Depreciation on certain Buildings acquired prior to 1st July 1986 is charged under Written Down Value method and on others under Straight Line method.



NOTES TO FINANCIAL STATEMENTS

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Being a continuous plant, Depreciation on Plant and Machinery is charged based on the useful lives of the assets, as estimated by management, which is in line with the useful life prescribed in Schedule II of the Companies Act, 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.

Depreciation on Electrical Installations and Furniture & Fixtures being charged under Written Down Value method, has been changed to Straight Line method.

Depreciation on Motor Vehicles is charged under Straight Line method. Assets costing up to ₹ 5,000 each are depreciated fully in the year of purchase.

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) Inventories

Inventories (includes Raw Material, Work-in-Progress, Finished goods, Stores & spares, Consumables, Packing Materials) are valued at cost or net realisable value, whichever is lower. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost of Raw Material, Semi-finished and Finished Goods and Work-in-Progress 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 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 those inventories. Adequate allowance is made for obsolete and slow moving items.

(vi) Revenue Recognition

Revenue is recognised

Effective April 01, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 01, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets/liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any.

Sale of goods

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the terms of the sale which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Revenue recognition from sale of "Duty Entitlement Passbook License or Merchandise Exports from India Scheme (MEIS)" is made on sale of the license after receipt of the same from the office of the Director General of Foreign Trade.

Income from Duty Drawback is recognised on receipt basis.

Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

(vii) Income from Investment

Income from Investments (other than investments in shares of companies and Mutual Funds) is accounted on accrual basis.

Dividend income on investments is recognised when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

(viii) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, on settlement or reinstatement of year end closing balances by applying the closing rates in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the statement of profit and loss.

Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

The premium or discount arising at the inception of the forward contract entered into to hedge the existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such contract are recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising out of cancellation or renewal of such contract are recognized as income or expense in the reporting period. Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transaction are marked to market and the losses, if any, are recognized in the statement of profit and loss and gains are ignored.

(ix) Employee Benefits

The Company has the following post-employment benefit plans:

- (i) Defined benefit plans such as gratuity;
- (ii) Defined contribution plans such as Provident fund & Superannuation fund; and
- (iii) Other employee benefits.

(i) Defined benefit plan:

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

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the Projected Unit Credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- b. Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement comprising:

- a. Re-measurement of Actuarial (gains)/losses
- b. Return on plan assets, excluding amount recognized in effect of asset ceiling
- c. Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other Comprehensive Income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Ind AS 19, Employees benefits requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also inter-dependency between some of the assumptions.

(ii) Defined contribution plan:

Under defined contribution plans, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined contribution plans comprise of contributions to provident fund, Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

(iii) Other employee benefits

- a. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the balance sheet date determined based on an actuarial valuation.
- b. Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.
- c. Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss as and when incurred.
- d. Other benefits comprising of discretionary long service awards are recognized as and when determined.

(x) Current and Deferred tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income. Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis. Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

(xi) Impairment of Assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit, if any.

such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(xii) Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of:

- a. the entity's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate (EIR) method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest



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income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. On derecognition, gain or loss, if any, is recognised to statement of profit and loss.

(ii) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using effective interest rate method. The losses arising from impairment are recognised in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to statement of profit and loss.

(iii) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the statement of profit and loss.

Equity Instruments:

All investments in equity instruments, if any classified under financial assets are subsequently measured at fair value.

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime Expected Credit Losses at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months Expected Credit Losses.

The impairment losses and reversals are recognised in statement of profit and loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.



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Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments & hedge accounting

The Company uses derivative financial instruments, such as forward foreign exchange contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in statement of profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

(xiii) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xiv) Provision and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(xv) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease.

(xvi) Segment Reporting

The accounting policies adopted for segment reporting, if any, are in conformity with the accounting policies adopted by the Company.

(xvii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(xviii) Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

(xix) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of cost of that asset, during the period till all the activities necessary to prepare the qualifying assets for its intended use or sale are complete. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

(xx) Exceptional Items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

(xxi) Recent accounting pronouncements

(i) Ind AS 116, Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116. Ind AS 116 will replace the existing leases Standard, Ind AS 17, Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

"The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.



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Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the financial statements. The impact due to this amendment is expected to be insignificant.

- (ii) Amendment to Ind AS 12, Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for application of this amendment is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements. The impact due to this amendment is expected to be insignificant.

- (iii) Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12, Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements. The impact due to this amendment is expected to be insignificant.

- (iv) Amendment to Ind AS 19, Plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for application of this amendment is annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. The Company does not envisage any impact on account of this amendment.

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3 PROPERTY, PLANT & EQUIPMENT

Particulars	Freehold Land	Buildings	Plant & equipment	Furniture & Fixtures	Office Equipment	Electrical Installations	Total
Gross Block							
Balance as at 1st April 2017	116.92	93.69	1957.15	2.17	7.76	14.73	2,192.42
Additions			500.54		2.42		502.96
Deductions/ Adjustment		2.96	26.53		2.99	1.21	33.69
Balance as at 31st March 2018	116.92	90.73	2431.16	2.17	7.19	13.52	2661.69
Additions	-	-	23.16	-	2.63	-	25.79
Deductions/ Adjustment	-	-	119.73	-	-	-	119.73
Balance as at 31st March 2019	116.92	90.73	2334.59	2.17	9.82	13.52	2567.75
Accumulated Depreciation							
Balance as at 1st April 2017	-	7.62	26.11	0.67	1.66	4.12	40.17
Additions		6.58	104.64	0.23	0.89	1.77	114.11
Deductions/ Adjustment		0.02	25.74	0.35	0.01	0.69	26.81
Balance as at 31st March 2018	-	14.18	105.01	0.55	2.54	5.20	127.47
Additions		6.48	120.79	0.22	1.75	1.75	130.99
Deductions/ Adjustment			113.75				113.75
Balance as at 31st March 2019	-	20.66	112.05	0.77	4.29	6.95	144.71
Net carrying amount as at 31st March 2018	116.92	76.55	2326.15	1.62	4.65	8.32	2534.21
Net carrying amount as at 31st March 2019	116.92	70.07	2222.54	1.40	5.66	6.57	2423.03

Particulars	As at 31st March 2019	As at 31st March 2018
4 CAPITAL WORK-IN-PROGRESS		
Plant and equipment under installation	111.18	0.21
TOTAL	111.18	0.21
5 INTANGIBLE ASSETS		
	Software	TOTAL
Gross Block		
Balance as at 1st April 2017	2.92	2.92
Additions	-	-
Deductions/ Adjustment	-	-
Balance as at 31st March 2018	2.92	2.92
Additions	-	-
Deductions/ Adjustment	-	-
Balance as at 31st March 2019	2.92	2.92
Accumulated amortisation		
Balance as at 1st April 2017	1.32	1.32
Amortisation charge for the year	1.02	1.02
Deductions/ Adjustment	-	-
Accumulated amortisation as at 31st March 2018	2.34	2.34
Amortisation charge for the year	0.45	0.45
Deductions/ Adjustment	-	-
Accumulated amortisation as at 31st March 2019	2.79	2.79
Net carrying amount as at 31st March 2018	0.58	0.58
Net carrying amount as at 31st March 2019	0.13	0.13

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
6 INVESTMENTS - NON-CURRENT		
Investments in Mutual Funds (at NAV)-Quoted	5263.93	4912.38
(Refer Note 36)		
Investments in Bonds-Unquoted		
Rural Electrification Corporation Limited - REC		
Bond 130 units (195 units 2017-18) of ₹10,000 each	13.00	19.50
TOTAL	5276.93	4931.88
(i) Aggregate amount of quoted investments	5263.93	4912.38
(ii) Market Value of quoted investments (based on Net Asset Value declared by Mutual Fund as on 31st March 2019)	5263.93	4912.38
7 OTHER NON-CURRENT ASSETS		
Advance to employees	10.44	3.86
TOTAL	10.44	3.86
8 INVENTORIES		
Raw materials	1044.21	956.02
Work-in-progress	1075.59	1080.55
Finished goods	460.52	527.89
Stores & Spares	296.79	387.82
TOTAL	2877.11	2952.29
Refer Note 2(v)		
9 INVESTMENTS - CURRENT		
Investments in Mutual Funds (at NAV) - Quoted	1503.10	325.27
(Refer Note 37)		
TOTAL	1503.10	325.27
(i) Aggregate amount of quoted investments	1503.10	325.27
(ii) Market Value of quoted investments (based on Net Asset Value declared by Mutual Fund as on 31st March 2019)	1503.10	325.27
10 TRADE RECEIVABLES		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	1915.94	1910.93
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	31.10	50.60
Less: Allowances for expected credit loss	(31.10)	(50.60)
TOTAL	1915.94	1910.93
*During the year, provision for bad and doubtful receivables amounting to ₹Nil (as at 31st March 2018 - ₹ 29.60 lacs) has been written off.		
11 CASH AND CASH EQUIVALENTS		
Bank balance in current accounts	142.46	256.96
Cash on hand	8.57	7.23
TOTAL	151.03	264.19

**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
12 BANK BALANCE OTHER THAN ABOVE		
In Deposits accounts*	765.92	725.45
In Dividend accounts	12.80	13.32
Remittance in transit	56.87	36.51
TOTAL	835.59	775.28
*Includes amount under lien of bank towards bank guarantee	10.00	10.00
13 LOANS		
Loan to Employees	19.95	20.59
TOTAL	19.95	20.59
14 OTHER FINANCIAL ASSETS		
Security Deposits	125.09	129.85
TOTAL	125.09	129.85
15 OTHER CURRENT ASSETS		
Advances to suppliers	102.56	36.75
Prepayments	9.43	13.52
Interest accrued on fixed deposits	32.30	32.71
Balances with government authorities	46.19	41.32
TOTAL	190.48	124.29
16 EQUITY SHARE CAPITAL		
Authorised Share Capital:		
1,00,00,000 equity shares of ₹10/- each	1000.00	1000.00
1,00,00,000 9% cum. redeemable preference shares of ₹10/- each	1000.00	1000.00
TOTAL	2000.00	2000.00
Issued, Subscribed and Paid up		
60,49,587 equity shares of ₹10/- each, fully paid	604.96	604.96
Forfeited shares	0.07	0.07
TOTAL	605.03	605.03

- (i) **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	2018-19		2017-18	
	Number	Amount	Number	Amount
Equity shares at the beginning of the year	6049587	604.96	6049587	604.96
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Equity shares outstanding at the end of year	6049587	604.96	6049587	604.96

- (ii) **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. In the event of the liquidation of the company the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of the shares held.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	As at		As at	
	31st March 2019		31st March 2018	
(iii) Details of shares held by the holding company:				
Name of the Shareholder	Number	Amount	Number	Amount
Alfamont (Mauritius) Limited, the Holding Company	4537189	453.72	4537189	453.72
(iv) 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	Number	%	Number	%
Alfamont (Mauritius) Limited, the Holding Company	4537189	75.00	4537189	75.00
(v) Aggregate number of shares allotted as fully paid up by way of bonus shares during the last five years				
20,16,529 Equity shares fully paid up were allotted by way of bonus shares by capitalisation of capital redemption reserve ₹148.61 lacs and securities premium reserve ₹ 53.04 lacs in 2014-15.				
(vi) Issue of shares for consideration other than cash				
During the preceding five financial years, the Company has not issued any share for consideration other than cash.				
(vii) Dividend paid and proposed				
Refer Note 42				

17 DEFERRED TAX LIABILITY

Deferred Tax Liability (Net)	649.03	558.76
TOTAL	649.03	558.76

The major components of income tax expense are as follows:

Statement of profit or loss	Year ended	Year ended
	31st March 2019	31st March 2018
Current income tax charge	228.24	153.96
Deferred tax		
Relating to origination and reversal of temporary differences	89.32	(86.17)
Income tax expense reported in statement of profit or loss	317.56	67.79
Reconciliation		
Accounting profit/ (loss) before income tax	1312.30	849.92
Enacted tax rate in India	27.82%	33.06%
Computed tax expense	365.08	281.01
Adjustments:		
Effect of different tax rate	-	(222.87)
Effect on Expenses disallowed / (allowed)	(7.89)	9.55
Effect of deferred tax adjustments	(128.94)	86.17
Total adjustments	(136.83)	(127.05)
Tax expenses recognised in Profit or Loss	228.24	153.96

Deferred tax relates to following

Particulars	Recognised in Balance Sheet		Recognised in Profit or Loss	
	As at	As at	Year ended	Year ended
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Accelerated depreciation for tax purpose	(488.70)	(474.67)	14.03	24.45
Expenses allowable on payment basis	19.07	27.66	8.59	(5.17)
Other items giving rise to temporary differences	-	-	-	-
Fair valuation of financial instruments	(179.40)	(112.69)	66.71	66.89
Deferred tax asset / (liability)	(649.03)	(558.76)		
Net (income)/ expense			89.32	86.17

**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018
18 BORROWINGS		
Bank Overdraft*	203.15	0.31
TOTAL	203.15	0.31
* The overdraft facility is secured against specified units of mutual funds. Refer Note 36. Overdraft facility carries interest rate ranging from 9% p.a. to 10% p.a. (31st March 2018 - 9% p.a. to 10% p.a.)		
19 TRADE PAYABLES		
Due to micro small and medium enterprise	38.53	26.03
Due to others	1178.89	801.00
TOTAL	1217.42	827.03
The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company, which is relied upon by the auditors. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.		
i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	38.53	26.03
ii) Principal amount due and remaining unpaid	-	-
iii) Interest due on (ii) above and the unpaid interest	-	-
iv) Interest paid on all delayed payments under the MSMED Act.	-	-
v) Payment made beyond the appointed day during the year	-	-
vi) Interest due and payable for the period of delay other than (4) above	-	0.02
vii) Interest accrued and remaining unpaid	-	-
viii) Amount of further interest remaining due and payable in succeeding years	-	-
20 OTHER FINANCIAL LIABILITIES		
Security deposits	8.82	9.32
Advances from customers	23.39	37.67
Unpaid dividend*	12.80	13.32
Other liabilities	22.59	0.17
TOTAL	67.60	60.48
*There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at year end.		
21 OTHER CURRENT LIABILITIES		
Statutory dues payable	117.80	99.65
TOTAL	117.80	99.65
22 PROVISIONS		
Provision for employee benefits	124.20	83.22
TOTAL	124.20	83.22

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
23 REVENUE FROM OPERATIONS				
Sale of Manufactured products (net of rebates and discounts)				
Gelatine		9175.32		8145.85
DCP - animal feed grade		2977.13		2938.40
Ossein		372.96		838.59
Bone meal products		49.35		61.13
		<u>12574.76</u>		<u>11983.96</u>
Less: Excise duty		-		203.84
Less: Trade and quality discount		6.55		18.88
Net Sales		<u>12568.21</u>		<u>11761.23</u>
24 OTHER INCOME				
Operating Income				
Sale of scrap/Coal ash		11.14		12.84
Export incentives and duty drawback		10.38		6.51
Other income		22.57		84.18
Foreign exchange gain		2.28		2.86
TOTAL (A)		<u>46.38</u>		<u>106.39</u>
Non-operating Income				
Interest income				
- From banks	50.83		66.15	
- From others	<u>15.66</u>	66.49	<u>15.64</u>	81.80
Net gain on redemption of non-current investments		-		7.83
Net gain on redemption of current investments		4.53		14.19
Gain on fair valuation of investments in mutual funds		428.09		229.59
TOTAL (B)		<u>499.11</u>		<u>333.41</u>
TOTAL (A) + (B)		<u>545.49</u>		<u>439.79</u>
25 COST OF MATERIAL CONSUMED				
Raw Material:				
Opening Stock		956.02		1201.06
Add : Purchases		7315.92		6590.76
Less : Closing Stock		1044.21		956.02
Raw material consumed		<u>7227.72</u>		<u>6835.80</u>
Particulars of Raw material consumed				
Material description				
Crushed bones		5543.25		5747.64
Hydrochloric acid		354.81		312.07
Others		1329.67		776.09
TOTAL		<u>7227.73</u>		<u>6835.80</u>
26 CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Opening Stocks				
- Finished Goods	527.89		1066.68	
- Work-in-progress	<u>1080.55</u>	1608.45	<u>1175.29</u>	2241.97
Closing Stocks				
- Finished Goods	460.52		527.89	
- Work-in-progress	<u>1075.59</u>	1536.11	<u>1080.55</u>	1608.45
Net (Increase) / Decrease		<u>72.34</u>		<u>633.52</u>

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
27 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	988.83	867.84
Contribution to provident and other funds	85.57	89.52
Staff welfare expenses	23.23	38.13
TOTAL	1097.64	995.49
28 FINANCE COSTS		
Interest expense	2.10	1.42
Other finance costs	6.04	2.25
TOTAL	8.14	3.67
29 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation & Amortisation expense	131.45	115.13
TOTAL	131.45	115.13
30 OTHER EXPENSES		
Consumption of stores and spare parts	111.39	101.04
Rates and taxes (other than taxes on income)	5.20	1.81
Effluent expenses	18.94	24.14
Insurance	6.16	8.58
Repairs and maintenance		
- Building	53.97	30.24
- Plant and equipment	287.78	219.76
Auditor's remuneration (*Refer Note below)	6.14	5.31
Freight and delivery charges	111.19	96.79
Commission to selling agents	14.63	20.38
Rent	12.56	12.92
Travelling	17.13	17.73
Directors' fees	3.68	3.29
Rebate and discount	0.15	4.36
Advertisement	4.33	5.79
Research and Development expenses (Refer Note 39)	7.37	4.48
Sundry balances written off	2.57	13.64
Allowances for expected credit loss	-	35.31
Interest paid/payable to micro, small and medium enterprises	-	0.02
Corporate social responsibility expenditure (Refer note 38)	19.43	27.80
Loss on sale / discard of property, plant and equipment	4.07	6.95
Miscellaneous expenses	171.91	177.73
TOTAL	858.59	818.07
Auditor's Remuneration		
Statutory audit fees	5.00	3.25
Certification and other matters	-	1.00
Reimbursement of out of pocket expenses	1.14	1.06
TOTAL	6.14	5.31
31 DISCLOSURE PURSUANT TO Ind AS 19, EMPLOYEE BENEFITS		
i) Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based		

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under Group Gratuity Scheme. The disclosure in respect of the defined Gratuity Plan are given below:

Defined benefit plans
A. Balance Sheet

Particulars	As at 31st March 2019	As at 31st March 2018
Present value of plan liabilities	278.42	290.07
Fair value of plan assets	244.67	275.87
Asset/(Liability) recognised	33.75	14.20

B. Movements in plan assets and plan liabilities

Particulars	Present value of obligations	Fair Value of Plan assets	Total
As at 1st April 2017	267.07	266.57	533.64
Current service cost	17.22	-	-
Adjustment in opening balance	-	(2.65)	(2.65)
Past service cost	16.06	-	-
Interest Cost/(Income)	18.13	19.71	37.84
Actuarial (gain)/loss arising from changes in financial assumptions	(12.28)	1.38	(10.90)
Actuarial (gain)/loss arising from experience adjustments	-	-	-
Employer contributions	-	6.99	6.99
Benefit payments	(16.13)	(16.13)	(32.26)
As at 31st March 2018	290.07	275.87	565.94
As at 1st April 2018	290.07	275.87	565.94
Current service cost	18.72	-	-
Adjustment in opening balance	-	(2.78)	(2.78)
Past service cost	-	-	-
Interest Cost/(Income)	19.58	20.68	40.26
Actuarial (gain)/loss arising from changes in financial assumptions	17.18	-	17.18
Actuarial (gain)/loss arising from experience adjustments	-	-	-
Employer contributions	-	18.05	18.05
Benefit payments	(67.15)	(67.15)	(134.30)
As at 31st March 2019	239.24	244.67	504.35

C. Statement of Profit and Loss

Particulars	As at 31st March 2019	As at 31st March 2018
Employee Benefit Expenses:		
Current Service Cost	18.72	17.22
Interest Cost	19.58	18.13
Past Service cost (vested benefits)	-	16.06
Net Actuarial (Gain) / Loss	17.18	(13.66)
Interest cost/(income)	(18.96)	(19.71)
Total amount recognised in Statement of profit & loss	36.52	18.04
Remeasurement of the net defined benefit liability:		
Actuarial (Gain) / Loss recognised for the period	17.17	(12.27)
Asset limit effect	-	-
Return on plan assets excluding net interest	(1.70)	(2.93)
Unrecognised Actuarial (Gain)/ Loss from previous period	-	-
Total amount recognised in Other Comprehensive Income	15.47	(15.20)

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March 2019	As at 31st March 2018
The significant actuarial assumptions were as follows:		
Financial Assumptions		
Discount rate	7.56%	7.70%
Salary escalation rate:		
Management employees	7.00%	7.00%
Non-management employees	7.00%	7.00%
Demographic Assumptions		
Expected average remaining working lives of employees in no. of years		
Management employee	10.77	11.32
Non-management employees	8.22	7.91
Mortality rate	IALM (2006-08) Ulf.	IALM (2006-08) Ulf.
Attrition rate	4%	4%
Retirement age	60	60

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	±1%	(15.06)	17.00
Salary escalation rate	±1%	15.75	(23.93)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

ii) Compensated Absences: The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The disclosure in respect of the defined Compensated Absences are given below:

Expenses recognised in statement of profit and loss	16.19	6.06
Balance sheet liability	33.75	18.03
Particulars	Year ended 31st March 2019	Year ended 31st March 2018

32 OTHER COMMITMENTS

Estimated amount of contract remaining to be executed on capital account not provided for (net of advances)

	188.11	292.30
TOTAL	188.11	292.30

33 CONTINGENT LIABILITIES

Bank guarantees to government authorities	10.00	10.00
Claims not acknowledged as debts (excluding further interest, if any):		
Excise duty	240.88	241.63
Income taxes	5.50	5.50
Sales tax	33.91	33.91
Land revenue cess	25.97	25.97
TOTAL	316.26	317.01

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

The Company's pending litigations comprise mainly claims against the Company, proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

34 RELATED PARTY TRANSACTIONS

Enterprise where the control exists

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

Other related parties

Aasman Management Services Pvt. Ltd., Dandvati Investments & Trading Co. Pvt. Ltd., Derby Electricals (India) Pvt. Ltd., Firestorm Electronics Corporation Pvt. Ltd., GWL Properties Ltd., Harshit Finlease & Investments Pvt. Ltd., Jumbo Electronics Corporation Pvt. Ltd., Jumbo Investments Ltd., Jumbo World Holdings (India) Pvt. Ltd., MPIL Corporation Ltd. *, Primo Enterprises Pvt. Ltd., SMN Engineers Ltd., Starfire Investments Ltd., Wizer Advertising Pvt. Ltd.

* till 01.09.2017

Key managerial personnel

Ashok Kapur	Whole time director
Mahesh Verma	Company Secretary
Priya Gupta	Chief Financial Officer (till April 30, 2017)
Garvita Asati	Chief Financial Officer (w.e.f. August 7, 2017)

Brief particulars of arrangements with related parties

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 Limited	Group Company	Providing Infrastructure and secretarial services	₹ 50,000 per month	27th May 2014	Nil
MPIL Corporation Limited	Group Company	Lease of Guest House in Mumbai	₹ 30,000 per month for a period of 3 years from 1st Oct 2014 to 30th Sept 2017	11th Nov. 2014	Nil

- All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above.
- Related party relationships have been identified by the management and relied upon by the Auditors.

Particulars of transaction and outstanding balances with related parties

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Transactions with related parties		
MPIL Corporation Limited		
(i) Guest house lease rent	-	1.80
(ii) Fees for infrastructure services & other expenses	-	3.91
Transactions with Key Managerial Personnel		
(i) Remuneration paid to Mr. Ashok K Kapur	35.04	35.39
(ii) Remuneration paid to Mr. Mahesh Verma	12.88	12.00
(iii) Remuneration paid to Ms. Priya Gupta	-	0.59
(iv) Remuneration paid to Ms. Garvita Asati	4.89	3.06

As the Gratuity and Compensated absences are computed for all the employees in aggregate, the amount relating to Key Managerial Personnel cannot be individually be identified.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
35 EARNINGS PER SHARE		
Profit available for equity shareholders	1006.31	803.69
Weighted average number of equity shares	6049587	6049587
Nominal value of equity share	10.00	10.00
Earnings per share - Basic / Diluted	16.63	13.29

36 NON-CURRENT INVESTMENTS
Investments in Mutual Funds (at NAV)-Quoted

Particulars	As at 31st March 2019			As at 31st March 2018		
	Fair Value Per unit	No. of units	Total Value	Fair Value Per unit	No. of units	Total Value
IDFC Bond Fund - Short Term Plan - Growth (Regular Plan) (formerly known as IDFC Super Saver Income Fund)	38.08	247,085	94.10	35.37	247085	87.40
HDFC Balanced Advantaged Fund-Direct Plan-Growth Option (formerly known as HDFC Prudence Fund)	209.08	127311	266.18	-	-	-
IDFC Bond Fund - Medium Term - Growth Regular Plan (formerly known as IDFC Super Saver Income Fund)	31.23	600833	187.61	506.05	46611	235.88
ICICI Prudential Long Term Bond Fund - Regular Plan - Growth	59.07	830126	490.33	-	-	-
ICICI Prudential Income-Regular Plan - Growth	-	-	-	55.05	830126	457.00
IDFC Bond Fund - Income Plan - Regular - Growth (formerly known as IDFC Super Saver Income Fund - Investment Plan)	44.57	777167	346.37	41.28	777167	320.79
Reliance Dynamic Bond Fund - Growth Plan	24.58	1671699	410.85	23.18	1671699	387.50
ABSL Dynamic Bond Fund-Retail-Growth Fund-Regular Plan	31.61	823118	260.20	29.98	823118	246.78
Reliance Short Term Fund-Growth Plan-Growth Option	34.73	960791	333.72	32.65	960791	313.72
ICICI Prudential Short Term Fund Regular Plan Growth Option	38.64	1097932	424.19	36.21	1097932	397.59
Reliance Income Fund-Growth Plan-Growth Option	59.29	378248	224.25	54.87	378248	207.53
ABSL Income Fund - Regular Plan - Growth Option (formerly known as ABSL Income Plus)	81.18	613470	498.00	75.99	613470	466.18
ABSL Corporate Bond Fund - Regular Plan, Growth (formerly known as ABSL Short Term Fund)	71.68	133977	96.03	66.45	133977	89.02
ABSL Savings Fund- Direct - Growth	371.76	9276	34.48	343.92	9275.57	31.90
HDFC Short Term Plan-Direct Plan-Growth Option	-	-	-	35.24	310025.61	109.25
UTI- Credit Risk Fund - Direct - Growth (formerly known as UTI-Income Opportunities Fund)	18.01	2221060	400.02	16.88	2221060.26	375.00
ABSL Credit Risk Fund - Direct - Growth* (formerly known as ABSL Corporate Bond Fund)	14.21	3294855	468.05	13.3	3294854.92	438.38
HDFC Credit Risk Debt Fund - Direct - Growth*	15.92	2139597	340.59	-	-	-
HDFC Corporate debt Opportunity fund Direct-Growth	-	-	-	14.93	1404790.34	209.79
HDFC Equity Savings Fund -Direct Plan - Growth Option	39.03	415125	162.02	36.11	415125	149.92
Reliance Strategic Debt Fund - Direct Plan - Growth Option (formerly known as Reliance Corporate Bond Fund)	15.35	1477957	226.94	14.48	1477957.4	214.00
TOTAL			5263.93			4912.38

*Provided as Security against the Overdraft facility from Banks.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

37 CURRENT INVESTMENTS
Investments in Mutual Funds (at NAV) - Quoted

Particulars	As at 31st March 2019			As at 31st March 2018		
	Fair Value Per unit	No. of units	Total Value	Fair Value Per unit	No. of units	Total Value
Reliance Liquid Fund - Direct Plan - Growth Option	4561.89	1,686	76.93	-	-	-
Reliance Low Duration Fund - Direct Plan - Growth Option (formerly known as Reliance Money Manager Fund)	2640.40	4090.66	108.01	2,438.69	3.48	0.08
HDFC Low Duration Fund -Retail-Growth	40.86	2,786	1.14	-	-	-
HDFC CMF Treasury Adv-Retail-Growth	-	-	-	37.97	2,786	1.06
ABSL Liquid Fund - Direct Plan - Growth Option (formerly known as Birla Sun life Cash plus)	300.44	428650	1287.82	279.38	54594	152.53
ABSL Low Duration Fund - Direct - Growth (formerly known as ABSL Cash Manager Fund)	473.18	6,171	29.20	436.02	39356	171.60
TOTAL			1503.10			325.27

38 CORPORATE SOCIAL RESPONSIBILITY

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, healthcare, 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:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Gross amount required to be spent by the company	16.76	27.45
Amount spent during the year on:		
Construction / acquisition of any asset	-	-
On purposes other than above	19.43	27.80

39 RESEARCH & DEVELOPMENT EXPENDITURE

Revenue expenditure		
Salaries and wages	11.28	11.44
Other expenses	7.37	4.48
Capital expenditure		
Plant and Machinery	16.07	-

40 FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- (i) Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- (ii) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter-party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

The carrying amounts and fair values of financial instruments by category are as follows:

	FVOCI Note 2(xiii)	FVTPL Note 2 (xiii)	Amortised cost	Total fair value	Carrying amount
31st March 2018					
Financial assets					
Investments	-	5257.15	-	5257.15	5257.15
Trade receivables	-		1910.93	1910.93	1910.93
Cash and cash equivalents	-	-	1039.47	1039.47	1039.47
Loan			20.59	20.59	20.59
Other financial assets	-	-	129.85	129.85	129.85
Total financial assets	-	5257.15	3100.85	8358.00	8358.00
Financial liabilities					
Borrowings	-	-	0.31	0.31	0.31
Trade payables	-	-	827.03	827.03	827.03
Others	-	-	60.48	60.48	60.48
Total financial liabilities	-	-	887.82	887.82	887.82
31st March 2019					
Financial assets					
Investments	-	6780.03	-	6780.03	6780.03
Trade receivables	-	-	1915.94	1915.94	1915.94
Cash and bank balances	-	-	986.62	986.62	986.62
Loan	-	-	19.95	19.95	19.95
Others financial assets	-	-	125.09	125.09	125.09
Total financial assets	-	6780.03	3047.60	9827.63	9827.63
Financial liabilities					
Borrowings	-	-	203.15	203.15	203.15
Trade payables	-	-	1217.42	1217.42	1217.42
Others	-	-	67.60	67.60	67.60
Total financial liabilities	-	-	1488.17	1488.17	1488.17

Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3
31st March 2018			
Assets at fair value	5257.15	-	-
31st March 2019			
Assets at fair value	6780.03	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the years.

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

41 RISK MANAGEMENT

Financial risk management objectives and policies :

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, liquidity risk, commodity risk and credit risk. The Company's financial risk management policy is set by the Risk Management Committee and governed by overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

Risk	Exposure arising from	Measurement	Risk Management
(i) Credit risk	Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Credit limits and letters of credit and Performance guarantees.
(ii) Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
(iii) Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
(iv) Market risk – foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian rupees	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
(v) Commodity risk	Purchase of Raw Material	As per production planning and budgeting	Procurement and inventory strategy

I Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual credit limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information. Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company provides for overdue outstanding as per the policy approved by the Board of Directors, which are evaluated on a case to case basis. The Company's concentration of risk with respect to trade receivables is low, as its customer's base is widely spread across the length and breadth of the country and majority of the customers are with sound financial health.

The credit period extended to customers ranges from 30 - 90 days.

Expected credit loss for trade receivables under simplified approach
(a) Ageing of trade receivable

From the date of invoice	As at 31st March 2019	As at 31st March 2018
0-6 months	1915.94	1842.02
6 -9 months	-	66.02
9 - 12 months	-	2.59
beyond 12 months	-	0.30
TOTAL	1915.94	1910.93

(b) Reconciliation of loss allowance provision - Trade receivables

Opening provision	50.60	44.89
Additional provision made	-	35.31
Less Bad debts written off / recovered	19.50	29.60
Closing provisions	31.10	50.60

NOTES TO FINANCIAL STATEMENTS

(All amounts in Indian rupee lacs, unless otherwise stated)

II Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date .

Contractual maturity patterns of Financial Liabilities :

Particulars	As at 31st March 2019			As at 31st March 2018		
	0-1 year / on Demand	1 to 5 years	Total	0-1 year / on Demand	1 to 5 years	Total
Borrowings	203.15	-	203.15	0.31	-	0.31
Trade payable	1217.42	-	1217.42	827.03	-	827.03
Other financial liabilities	67.60	-	67.60	60.48	-	60.48
TOTAL	1488.17	-	1488.17	887.82	-	887.82

III Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, finance department performs a comprehensive interest rate risk management. The company is not exposed to significant interest rate risk as at the respective reporting dates.

IV Market risk - Foreign currency risk

The Company is exposed to foreign exchange risk towards honouring of export/ import commitments. Management evaluates exchange rate exposure in this connection in terms of its established risk management policies which includes the use of derivatives like foreign exchange forward contracts to hedge risk of exposure in foreign currency. The company is not exposed to foreign currency risk at the respective reporting dates.

V Commodity risk

Principal Raw Material for Company's products is Crushed bone, HCL, Lime and Coal as a fuel. The Company sources its major raw material requirement from domestic suppliers located in various part of India.

The Company effectively manages with availability of material as well as price volatility based on the following:

- Raw materials are procured from different sources at competitive prices.
- Alternative sources are developed for uninterrupted supply of raw materials.
- Demand and supply are external factors on which company has no control; however the Company plans its production and sales from the experience gained in the past and on-going study and appraisal of the market dynamics, competition, economic policies and growth patterns of different segments of users of company's products.
- Specific steps to reduce the gap between demand and supply by expanding its customer base, delivery mechanisms, etc.
- Proper inventory control systems have been put in place. The Risk committee of the Company comprising members from Board of Directors and the operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

42 FINANCIAL RISK FACTORS

(a) Capital risk management

The Company's objectives when managing capital are to :

- safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

(b) **No asset has been pledged as security, except investments in mutual funds referred in Note 36.**

**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Indian rupee lacs, unless otherwise stated)

(c) Dividends

Dividend for any financial year is recommended by the Board considering financial performance of the company and other internal and external factors.

Particulars	As at 31st March 2019	As at 31st March 2018
Dividends not recognised at the end of reporting period		
On Equity Shares		
Following the financial year end, the directors have recommended, subject to the approval of shareholders in the ensuing annual general meeting, a dividend of ₹10.00 per fully paid up equity share (31st March, 2018 - ₹4.00 per fully paid up equity shares) (Including dividend distribution tax of ₹123.16 lacs (31st March 2018 - ₹ 49.26 lacs).	728.11	291.24

- 43** Post the applicability of Goods and Service Tax (GST) with effect from 1st July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of expenses in previous year. Accordingly, the revenue from operations and other expenses for the year are not comparable with previous year.
- 44** The Company is engaged in the manufacture and sale of Ossein and Gelatine. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment. Accordingly, no further disclosure is required to be furnished
- 45** Certain financial assets and financial liabilities are subject to formal confirmation and reconciliations. The Management, however, is confident that the impact whereof, if any, for the year on the financial statements will not be material.

For and on behalf of the Board

Ravindra K Raje
Director
DIN:00112003

Ashok K Kapur
Wholetime Director
DIN:00126807

Mahesh Verma
Company Secretary

Garvita Asati
Chief Financial Officer

Place : Jabalpur
Date : 27th May, 2019

**NOTICE OF ANNUAL GENERAL MEETING****NARMADA GELATINES LIMITED**

CIN: L24111MP1961PLC016023

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

Notice is hereby given that the Fifty-Eighth Annual General Meeting of the Members of Narmada Gelatines Limited will be held on Wednesday, 25th September, 2019 at 11:30 a.m., at Hotel Narmada Jacksons, South Civil Lines, Jabalpur – 482001, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2019 including the Reports of the Board of Directors and Auditors thereon and in this respect to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT the audited Financial Statements of the Company for the year ended 31st March, 2019, including the Balance Sheet as at that date and the Statement of Profit and Loss Account 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 31st March, 2019 and in this respect to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the recommendation of the Board of Directors, dividend @ 100% i.e. ₹ 10.00 per Equity Share of ₹ 10/- each fully paid-up, be and is hereby declared in respect of the financial year ended 31st March, 2019 and that the dividend be paid to those Equity Shareholders whose names appear on the Register of Equity Shareholders as on 18th September, 2019 or to their mandatees.”

3. To appoint a director in place of Mr. Ravindra K Rajee (DIN-00112003), who retires by rotation and, being eligible, offers himself for re-appointment and in this respect to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Ravindra K Rajee (DIN-00112003), 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.”

SPECIAL BUSINESS

4. Re-Appointment of Mr. Ashok K Kapur (DIN - 00126807) as the Whole Time Director of the Company and in this respect to consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Ashok K. Kapur (DIN - 00126807), as Whole-time Director of the Company for a period of two years with effect from June 1, 2019 to May 31, 2021 and to the payment of remuneration to him as per the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Ashok K Kapur.

RESOLVED FURTHER THAT the remuneration payable to Mr. Ashok K Kapur, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

By Order of the Board of Directors
For Narmada Gelatines Limited

Mahesh Verma
Company Secretary

Jabalpur
27th May, 2019

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 19th September to 25th September, 2019 (both days inclusive).
- (b) The Company is providing facility for voting on the business set out in the Notice by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note (v) herein below. 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. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable. A Proxy form is attached to this Notice.
- (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 Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per provisions mentioned in clause 1(1.2.5) of the Secretarial Standard - 2 on 'General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, for person seeking re-appointment/appointment as director, are annexed to this Notice and in the Corporate Governance Report forming part of the Annual Report.
- (f) Members and proxy holders are requested to bring their attendance slip along with their copies of the 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 the 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 25th September, 2019 to those members whose names appear on the Company's Register of Members as on 18th September, 2019 (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 18th September, 2019
- (k) Members are requested to notify immediately:
- 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
- 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
- (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 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) 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 a single account.
- (o) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), the Company has transferred the unpaid or unclaimed dividends for the financial years ended 31st March, 2011, from time to time, 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) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th September, 2018 (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.
- (p) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), as amended from time to time, the Company has, during financial year 2018-19, transferred to the IEPF



Authority all equity shares of the Company in respect of which dividends for seven consecutive years or more remaining unpaid or unclaimed as on the due date of transfer. Members may note that shares as well as unclaimed dividend transferred to IEPF Authority can be claimed back from them. Concerned members/Investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> for lodging claim for refund of shares and / or dividends from the IEPF authority.

- (q) In terms of the provisions of Section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share Capital & Debentures) Rules, 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 Share Transfer Agents 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 58th 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 Participants 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 58th 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 58th Annual General Meeting and the Annual Report for the financial year ended March 31, 2019 will be available on the Company's website www.narmadagelatines.com.

Members are also requested to inform their correct e-mail address, if any, to the Depositories (if shares held in demat form) and to the Registrars and share transfer agents by visiting their website namely "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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be passed in the AGM by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the AGM ('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. 18th September, 2019.
 - 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 18, 2019 only shall be entitled to avail the facility of remote e-voting /ballot poll.
 - The Board of Directors of the Company has appointed Dr Asim Kumar Chattopadhyay, Practising Company Secretary (ICSI Membership No. FCS 2303), "AMATRI ASHIS" 10, Kumar Para Lane, Ganges Side, Alambazar, Kolkata-700035, as the Scrutinizer to scrutinize the remote e- voting and Mr. Tapan Badkul, Cost and Management 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 alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company 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 25, 2019.

Members are requested to read the instructions below carefully before exercising their vote through remote e-voting.

These details and instructions form an integral part of Notice for the Annual General Meeting to be held on 25th September, 2019.

Steps for E-voting

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

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Select the Electronic Voting Sequence Number - "EVSN" along with "NARMADA GELATINES LIMITED" from the drop down menu and click on "SUBMIT".
- 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.
- If you are holding shares in Demat form and had logged on to 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.
- Fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	(i) 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.
	(ii) 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.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	- 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).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the relevant EVSN on which you choose to vote.
- 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
- Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 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.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com 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.

The remote e-voting begins on 22nd September, 2019 (9:00 am) and ends on 24th September, 2019 (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 18th September, 2019, 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.com under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement set out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

Mr Ashok Kapur's previous term as the Whole-time director of the Company expired on May 31, 2019.

Pursuant to the recommendation of the Nomination and Remuneration Committee the Board of Directors of the Company vide resolution passed on May 27, 2019 approved appointment of Mr. Ashok K Kapur as the Wholetime Director of the Company with effect from June 1, 2019 in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 for a period of two years i.e. up to May 31, 2021, subject to approval of members. Mr. Kapur has attained the age of 72 years and as per Schedule V of the Companies Act, 2013, the approval of shareholders by Special Resolution at the general meeting of the Company or approval of the Central Government would be required for his re-appointment as Wholetime Director. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Mr Ashok K Kapur is a Mechanical Engineer having 48 years of experience in Gelatine industry. He has contributed immensely to the growth of the Company and his vast and rich experience in Gelatine Industry will be beneficial to the company. He has been the Chairman of Ossein & Gelatine Manufacturers' Association of India and a Director of Gelatine Manufacturers Association of Asia Pacific and the Chairman of Ossein and Gelatine Panel of CAPEXIL. He is overall in-charge of the Company embracing the whole gamut of operations.

The details of remuneration payable to Mr. Ashok K Kapur and the terms and conditions of the appointment are given below:

1. Period of appointment - Two years from June 1, 2019 to May 31, 2021.
2. Nature of Duties: Mr. 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	₹ 1,75,000 per month
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 - (ii) Perquisites & Allowances:

HRA/Company Accommodation	₹ 87,500 per month
Conveyance Allowance	₹ 4,000 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	₹ 17,500 per month
 - (iii) Other benefits:
 - (a) Earned / privilege leave – As per the rules of the Company
 - (b) Company's contribution to provident 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, 2019, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Ashok K Kapur, remuneration by way of salary, performance bonus and other allowances not exceeding the limits specified under 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. The agreement, executed between the Company and Mr. Ashok K Kapur, may be terminated by either party by giving three months' notice in writing of such termination.
5. The terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, subject to such approvals as may be required.
6. The terms and conditions of the appointment of Mr. Kapur also include clauses pertaining to adherence with the Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.
7. Mr. Kapur shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

No director, except Mr. Ashok K Kapur, is deemed to be interested or concerned in his re-appointment and remuneration payable to him as a director in whole-time employment. The terms of re-appointment of Mr. Ashok K. Kapur, as stated in this notice, may be treated as the abstract of terms and conditions of re-appointment and memorandum of interest under Section 190 of the Companies Act, 2013. The copies of relevant resolutions of the Board and agreement with respect to the re-appointment is available for



inspection by members at the registered office of the Company during working hours on any working day till the date of this AGM. The Directors are of the view that the re-appointment of Mr. Ashok K. Kapur as Wholetime Director will be beneficial to the operations of the company. The Board accordingly recommends the resolution as set out in Item 4 of the Notice for approval of the members.

By Order of the Board of Directors

For Narmada Gelatines Limited

Mahesh Verma

Company Secretary
Jabalpur

27th May, 2019

Registered Office:
CARAVS, Room No. 28
15, Civil Lines, Jabalpur – 482 001

Annexure
Details of Directors seeking re-appointment /appointment at the 58th Annual General Meeting (in pursuance of SEBI Listing Regulations)

Particulars		
Name	Mr. Ravindra K Raje	Mr Ashok K Kapur
DIN	00112003	00126807
Date of Birth	30.06.1955	04.11.1947
Date of Appointment in AGM	28.09.2006	20.09.2017
Qualification	Fellow member of the Institute of Chartered Accountants of India. He is also a qualified Company Secretary and a Bachelor of Law.	Mechanical Engineer
Expertise in specific functional areas and past experience	43 years of experience in industry and consultancy assignments.	48 years of experience in Gelatin Industry and Ex-Chairman of Ossein & Gelatine Manufactures' Association of India and Director of Gelatine Manufacturers Association of Asia Pacific and Ex-Chairman Ossein and Gelatine Penal CAPEXIL.
Directorship in other companies	Aasman Management Services Pvt. Ltd. Dandvati Investments & Trading Co Pvt. Ltd. Derby Electricals (India) Pvt. Ltd. GWL Properties Ltd. Harshit Finlease & Investments Pvt. Ltd. Jumbo World Holdings (India) Pvt. Ltd. Jumbo Electronics Corporation Pvt. Ltd. L'Aquila Investments Co. Pvt. Ltd. Primo Enterprises Private Ltd. SMN Engineers Ltd. Viman Investments Pvt. Ltd. Wizer Advertising Pvt. Ltd.	Aasman Management Services Pvt. Ltd. Dandvati Investments & Trading Co Pvt Ltd. Firestorm Electronics Corporation Pvt. Ltd. GWL Properties Limited Jumbo World Holdings (India) Pvt. Ltd. Jumbo Electronics Corporation Pvt. Ltd. Primo Enterprises Private Ltd. Viman Investments Pvt. Ltd.
Memberships / Chairmanships of committees across	GWL Properties Ltd. • Stakeholders' Relationship Committee - Member	Narmada Gelatines Ltd • Stakeholder's Relationship - Member
Public companies	Narmada Gelatines Ltd • Stakeholder's Relationship - Member	
Shareholding	559 equity shares	1050 equity shares



NARMADA GELATINES LIMITED

CIN: L24111MP1961PLC016023

Registered office : 28, CARAVS, 15 Civil Lines, Jabalpur - 482001, M.P.
Website : www.narmadagelatines.com, Email : ngjbp@rediffmail.com
Tel : Phone : (0761) 2830433

ATTENDANCE SLIP

58th ANNUAL GENERAL MEETING – 25th September, 2019

DP ID	Folio No.
Client ID	No. of Shares

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder* of the Company.

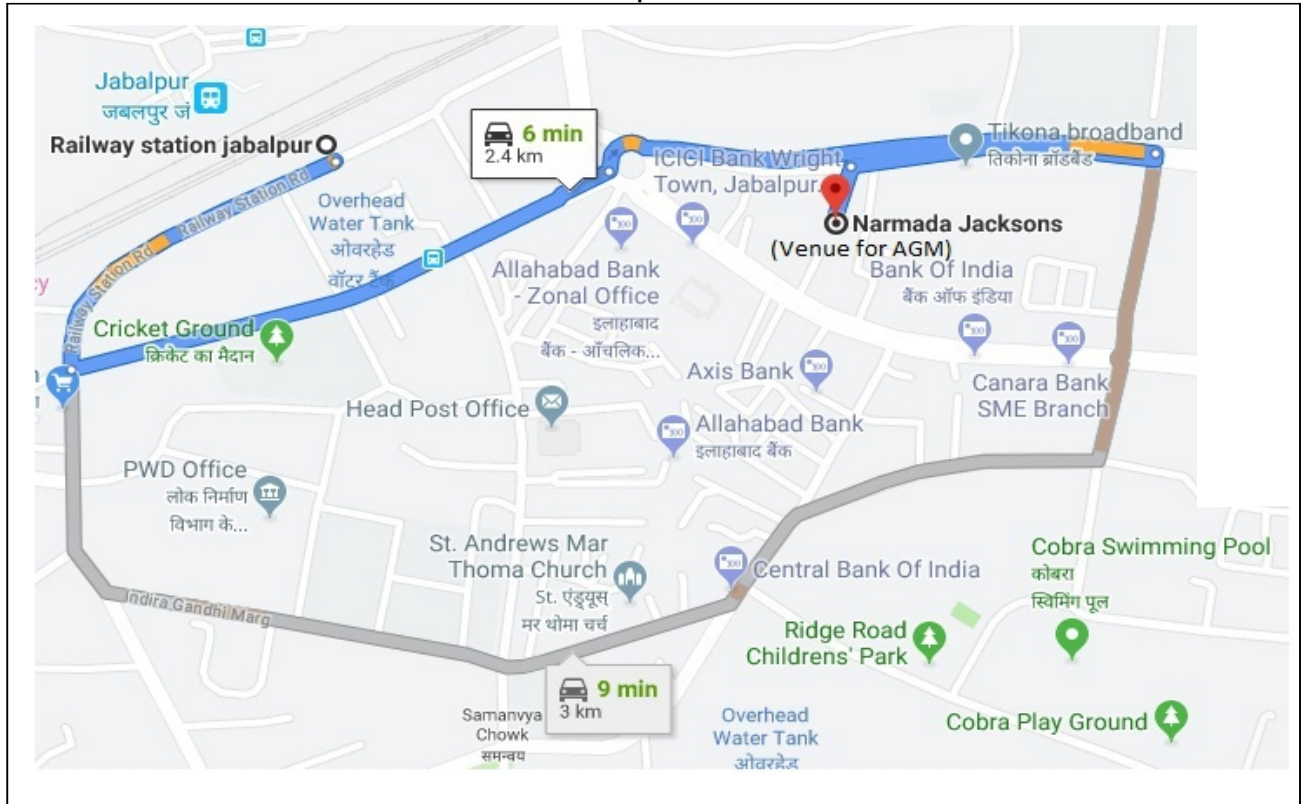
*Strike out whichever is not applicable.

I hereby record my presence at the 58th ANNUAL GENERAL MEETING of the Company held on Wednesday, 25th September, 2019 at 11:30 a.m. at Hotel Narmada Jacksons, South Civil Lines, Jabalpur-M.P.

Member's/Proxy's Name in BLOCK Letters

Member's / Proxy's Signature

Route Map of AGM Venue





NARMADA GELATINES LIMITED

CIN: L24111MP1961PLC016023

Registered office : 28, CARAVS, 15 Civil Lines, Jabalpur - 482001, M.P.
Website : www.narmadagelatines.com, Email : ngjbp@rediffmail.com
Tel : Phone : (0761) 2830433

FORM No. MGT 11 - PROXY FORM

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

58th ANNUAL GENERAL MEETING – 25th September, 2019

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

**Applicable for investors holding shares in electronic form*

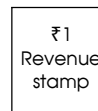
I / We, being the member(s) of _____ shares of Narmada Gelatines Limited, hereby appoint:

1. _____ of _____ E-mail Id : _____ or failing him
2. _____ of _____ E-mail Id : _____ or failing him
3. _____ of _____ E-mail Id : _____

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Wednesday the 25th day of September, 2019 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 below (see note iv below):

Resolution No.	Resolutions	Vote		
		For	Against	Abstain
ORDINARY BUSINESS				
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. Ravindra K Raje (DIN-00112003) as a Director			
SPECIAL BUSINESS				
4	Re-appointment of Mr. Ashok K Kapur (DIN - 00126807) as a Whole-time Director			

Signed this _____ day of _____ 2019



Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A Proxy need not be a member of the Company.**
- 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.
- This is optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he / she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but name of all the joint holders should be stated.



“Creating a strong business and building a better world are not conflicting goals - they are both essential ingredients for long term success”



- Promotion of education
- Child care
- Swacch Bharat Mission
- Child care
- Rural development
- River Protection
- Promotion of sports
- Health care activities
- Promotion of education
- Environment protection
- Child care
- Health care activities
- Promotion of sports
- Swacch Bharat Mission
- River Protection
- Promotion of cultural activities



Narmada Gelatines Limited

CARAVS, Room No. 28, 15 Civil Lines, Jabalpur - 482001 (M.P.)