



50th
Annual Report
2010-2011



Narmada Gelatines Limited



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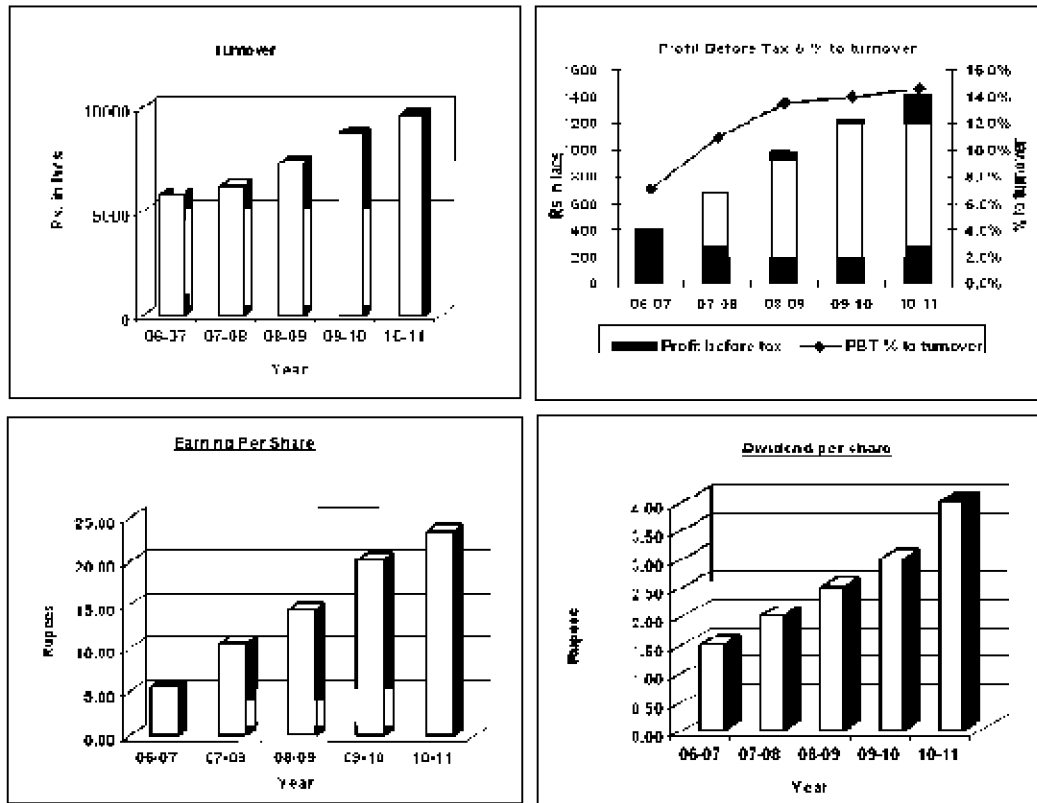
**COMPANY INFORMATION**

<u>Board of Directors</u>	Justice Gulab Gupta Deepak Chaudhuri Mohan Chandra Pant Kiran M. Chhabria Sanjeev Jain Ravindra K. Raje Ashok K. Kapur	- Whole Time Director
<u>Board Committees</u>		
<u>Audit Committee</u>	Justice Gulab Gupta Deepak Chaudhuri Mohan Chandra Pant Ravindra K. Raje	- Chairman
<u>Compensation Committee</u>	Justice Gulab Gupta Deepak Chaudhuri Mohan Chandra Pant	- Chairman
<u>Investors Grievance Committee</u>	Mohan Chandra Pant Justice Gulab Gupta Mr. Ashok K. Kapur	- Chairman
<u>Company Secretary & Compliance Officer</u>	Maresh Verma	
<u>Auditors</u>	T.R. Chadha & Co. Mumbai	
<u>Registered Office</u>	CARAVS , Room No. 28 15, CIVIL Lines , Jabalpur (M.P.)	
<u>Factory</u>	Meerganj, Bheraghat Road Jabalpur (M.P.)	
<u>Bankers</u>	Allahabad Bank IDBI Bank Ltd. Union Bank of India ICICI Bank Ltd. State Bank of India HDFC Bank Ltd. Axis Bank Ltd.	
<u>Registrars and Share Transfer Agents</u>	CB Management Services Pvt. Ltd. P-22, Bondel Road, Kolkata 700019	
<u>Depositories</u>	National Securities Depository Limited Central Depository Services (I) Limited	
<u>Listing</u>	Bombay Stock Exchange Ltd.	



COMPANY PERFORMANCE AND FINANCIAL TRENDS

Some of the key financial and operational data for the last five years are provided in the table below:



Financial Performance

	Amount (Rs. in lacs)				
	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>
Turnover	5835	6252	7340	8753	9648
Profit before tax	414	682	992	1224	1408
PBT % to turnover	7.1%	10.9%	13.5%	14.0%	14.6%
Profit after tax	238	434	586	818	947
Basic and Diluted Earnings per Share (Rs.)	5.60	10.60	14.47	20.28	23.49
Dividend per equity share (Rs.)	1.50	2.00	2.50	3.00	4.00

Financial Position

Fixed Assets (Net Block)	1357	1650	2019	2084	2054
Capital Expenditure (WIP)	102	328	122	17	7
Investments	0	0	0	550	650
Cash and Bank Balances	939	869	897	746	847
Net Current Assets	2426	2290	2692	2652	3333
Total Assets	3884	4269	4833	5302	6044
Shareholder's Funds	3617	3865	4250	4928	4928



NOTICE

Notice is hereby given that the Fiftieth Annual General Meeting of the Members of Narmada Gelatines Limited will be held on Monday, September 19th, 2011 at 12:00 noon, at hotel Narmada Jackson, South Civil Lines, Jabalpur - 482001, to transact the following businesses :

A. ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Report of the Directors' and the Auditors' thereon
2. To declare dividend for the financial year ended March 31, 2011
3. To appoint a director in place of Mr. R.K.Raje, who retires by rotation and, being eligible, seeks re-appointment
4. **Appointment of Auditors**

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

"RESOLVED THAT M/s T.R.Chadha & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, including service tax, out-of-pocket and travelling expenses."

By Order of the Board of Directors
For Narmada Gelatines Limited

Place : Jabalpur
Date : 3rd August, 2011

Mahesh Verma
Company Secretary

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 12th September to 19th September 2011 (both days Inclusive).
- b) A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The Instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- c) 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.
- d) Members and proxy holders are requested to bring their copies of Annual Report to the Meeting.
- e) 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.
- f) 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.
- g) Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended 31st March, 2011 if declared at the meeting will be paid on or after 19th September, 2011 to those members whose names appear on the Company's Register of members as on 19th September, 2011 (Record date) subject however to the provisions of Section 206A of the Companies Act, 1956. In respect of shares held in electronic mode dividend will be paid on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
- h) Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz. Name of Bank, Branch, complete address of the Bank and Account Number for printing the same on the Dividend Warrants to avoid fraudulent encashment:
 - to their Depository Participants (DP) in respect to their Electronic Share Account; and
 - to the Company at its Registered Office or to the Registrars and Share Transfer Agents of the Company in respect of their physical share holdings.
- i) Any Member desirous of obtaining any information on the Accounts of the Company, may please forward such queries in writing to the Company Secretary at the Registered Office, at least ten days prior to the date of the Meeting.
- j) As required under clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, the relevant details of persons seeking appointment/ re-appointment as directors / whole time director are furnished in the Corporate Governance section of this Annual Report.



- k) Members having multiple ledger folio in identical name or joint names in identical order, are requested to intimate to the Company or its Registrars such ledger folio(s) for consolidating such multiple holdings into single account.
- l) Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, (the Act), the unclaimed dividend / debenture interest / debenture redemption amount for the year ended 31st March, 2004 and thereafter, which remain unclaimed for seven years will be transferred by the company to the Investor Education and Protection Fund (IEPF) established under Section 205C of the Act. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claim. The Company has already transferred the unclaimed dividend and debenture interest and principal money for the year ended 31st March, 2003 to IEPF.
- m) In terms of the provisions of Section 109A read with 109B of the Companies Act, 1956, a Member may nominate, at any time, in the prescribed manner in Form No. 2B (vide Rules 4CCC and 5D of the Companies (Central Government's General Rules and Forms, 1956), 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.
- n) 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 / Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Ltd.
- o) The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail addresses to the Company / Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Ltd.
- p) Non-Resident Indian members are requested to inform the company's Registrar and transfer agents M/s CB Management Services Pvt. Ltd immediately of:
- change in the residential status on return to India for permanent settlement; and
 - particulars of their Bank account maintained in India with complete name, branch, account type, account no. and address of the bank, if not furnished earlier.

Place : Jabalpur
Date : 3rd August, 2011

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

By Order of the Board of Directors
For Narmada Gelatines Limited

Mahesh Verma
Company Secretary

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

Dear Shareholders,

The Directors have pleasure in presenting the 50th Annual Report of your Company and the Audited Accounts for the financial year ended 31st March, 2011.

	Year ended 31st March, 2011	Rs. Lacs Year ended 31st March, 2010
Profit before Tax	1407.66	1224.39
Provision for Taxation:		
Current	464.09	407.40
Deferred Tax	(3.66)	(0.89)
Profit after Tax	947.23	817.88
Balance brought forward from last year	2298.46	1703.45
Amount available for appropriation	3245.69	2521.33
Transfer to General Reserve	94.72	81.79
Proposed Dividend on Equity Shares	161.32	120.99
Tax on proposed dividends	26.79	20.09
Balance carried forward	2962.86	2298.46

Global Economy and Company Overview :

Economic growth In the industrialized nations was below average compared with Asia, with particularly India and China seeing above average momentum. The year 2010-11 faced headwinds such as the Euro-zone debt crisis, political turmoil in Middle East and the twin catastrophes of earthquakes and tsunami striking Japan.

The Indian economy continues to be on a strong growth trajectory with an estimated growth of 8.6% in real GDP for the 2010-11 fiscal as compared to a 8.0% growth for 2009-10 fiscal. The agriculture, forestry and fishing sector witnessed a surge in fiscal 2010-11, with growth of 5.4% as compared to 0.4% for fiscal 2009-10. The manufacturing sector continued to post good performance with growth estimates at 8.8% for both fiscal 2009-10 and 2010-11. The services sector was the out performer with estimated growth at 9.6% for fiscal 2010-11 although this was slightly less than 10.1% for fiscal 2009-10. Per capita income in real terms (at 2004-05 prices) during fiscal 2010-11 witnessed an uptick, growing by 6.7% in fiscal 2010-11 as compared to 6.1% in fiscal 2009-10.

Although GDP growth remained strong, high levels of inflation throughout the year played spoilsport, oscillating within a band of 11% to 8%. This led to several rounds of interest rate hikes by the Reserve Bank to curb inflation and prevent overheating of the economy. In addition, inflation in food articles touched peak of 20-21% during the months of May-June 2010 and continued to remain in double digits throughout the year. All round high inflation in commodities and manufactured products led to significant increase in input costs across the



sectors. In addition, crude prices moved up, which also had an impact on transportation costs, hydro carbon linked inputs and packaging costs. Overall, FY 2010-11 was a very challenging year in terms of input cost inflation and managing material costs.

Your company was able to weather the effect of increased input costs through calibrated price increases, strategic stocking of raw materials and prudent buying.

Financial Highlights

Your Company recorded another year of growth, both in revenue and profits. Sales increased to Rs. 96.48 crores from Rs 87.53 crores in the previous year registering a growth of 10.2%. Earnings before interest, taxes and depreciation increased to Rs 15.81 crores from 13.81 crores in 2009-10, an increase of 14.5%. Profit after tax (PAT) was at Rs 9.47 crores for 2010-11 as compared to Rs 8.17 crores in the previous year, up by 15.9%. Consequently, the Earnings per share was at Rs 23.49 for 2010-11 as compared to Rs 20.28 in 2009-10.

Based on its intrinsic strength in terms of quality manufacturing process, distribution strength and customer relationships, your Company continues to build the business keeping long-term goals in perspective. Rationalising and streamlining operations to bring about efficiencies and reducing costs remains the management's top priority.

Dividends

Your Directors recommend a dividend of Rs. 4/- per Equity Share (last year Rs. 3/- per Equity Share) for the financial year ended March 31, 2011.

The total outflow on account of the proposed dividend including dividend distribution tax will be Rs. 188.11 lacs, (previous year Rs. 141.08 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 19th September, 2011 and to Members whose names appear on that date as Beneficial Owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Transfer to Reserves

It is proposed to transfer an amount of Rs. 94.72 lacs (being 10% of the net profits for the year) to the General Reserve. An amount of Rs. 664.40 lacs out of the profits for the year under review is proposed to be retained in the Profit and Loss account.

Industry Structure and Developments

The rapid growth of the Pharmaceutical Industry in India and across the world has resulted in stable demand for Gelatine.

However, the year under review witnessed an unprecedented shortage for raw materials. The impact of the global economic recession on the export of meat and meat products from the country resulted in a lower availability of raw material in India. This resulted in a steep increase in the raw material costs.

**Opportunities and Threats**

Following the representations made to Office International des Epizooties, Paris [OIE], the status of India has now been upgraded to "Negligible Risk". This will help the Indian gelatine Industry to export products worldwide.

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

Capacity Utilization

The capacity utilisation of gelatine production by your Company was 99% against the industry average of around 80%.

Outlook

The company's actions to improve productivity and enhance the production capacity has started yielding better results. Barring any unforeseen circumstances, your company should continue to perform well.

To meet the increased demand, your company is going for expansion of gelatine plant capacity. It is expected that the enhanced production will come into effect from December 2011.

Risks and Concerns

Poor availability of raw materials which meets the requirement for gelatine intended for human consumption is a cause of concern. This could result in an unstable situation on raw material front. As a consequence of increased raw material prices, the domestic prices of finished goods are at a peak; hence further increase in domestic prices could lead to import of gelatine. This is already happening to some extent, but recent trends indicate that imports have increased as compared to the previous year.

The expansion of capacity by other gelatine manufacturers and proposed setting up of new units in near future may also lead to a situation of increased competition and pressure on raw material availability.

Segment-wise or product-wise performance

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



Internal Control System

The Company has a well placed, proper and adequate internal control system, comprising supervision, checks and balances, policies, procedures and internal audit which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The system is reviewed and updated on an ongoing basis. The Group Internal Audit team continues to support the internal audit function.

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

The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of internal audit division and internal auditors to the audit committee of the board.

Human Resources

Retaining high performing talent has been the prime focus. The Company has made a concerted effort to match industry compensation norms in order to retain dedicated and skilled employees.

As in the past, industrial relations continued to remain cordial. The company has entered into a fresh wage agreement with the union for the next seven years.

Fixed Deposits

During the year under review, the Company has not accepted any fixed deposits from the public, and as on March 31, 2011 the Company had no unclaimed deposits or interest thereon due to any depositor.

Subsidiary Company

The Company does not have any subsidiary company.

Group for Inter se Transfer of Shares

Pursuant to an intimation received from the promoters, under Clause 3 (1) (e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting group for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of aforesaid SEBI Regulations, are furnished under Note No. B - 10 of Schedule 17 - Notes on Accounts, forming part of the accounts.

Directors

In accordance with the provisions of the Companies Act, 1956, and Article 115 of the Articles of Association of the Company, Ms. Kiran Chhabria and Mr. R.K. Raje, Directors, retire by rotation at the ensuing Annual General Meeting of the Company. The Board places on record its appreciation for their services to the company.



Mr. R.K. Raje, being eligible, offers himself for re-appointment. Your Board of Directors recommends his re-appointment.

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

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

All the appointments of the Directors of the Company are in compliance with the provisions of Section 274(1)(g) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, It is hereby confirmed :

- I. That in the preparation of accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so far as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for the year under review;
- III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- IV. That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

Auditors and Audit Report

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

The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

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



Transfer of Unpaid and Unclaimed amounts to IEPF

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

The Company has transferred Rs. 1,69,836/- to the Investor Education and Protection Fund, being the unclaimed 3rd and Final Debenture Redemption for the year 2002-03.

Corporate Governance

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure to this Report.

Employees

None of the employee of the Company is in receipt of remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975. Details of managerial remuneration under section 198 of the Act, are furnished under Note No. B - 22 of Schedule 17 - Notes on Accounts, forming part of the Accounts.

Industrial Relations

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



Acknowledgement

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

For and on behalf of the Board

R.K. Raje
Director

A.K. Kapur
Wholetime Director

Place : Jabalpur

Date : August 3rd, 2011



Annexure to Directors' Report

1. Particulars required under The Companies (Disclosure of Particulars In the Report of Board of Directors), Rules, 1988

A. RESEARCH & DEVELOPMENT

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

- (a) Recovery of Calcium Chloride from effluent.
- (b) Use of alternative raw material for gelatine production.

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

The research and development efforts are still on for both the above projects.

3. **Future Plan of Action :**

The above projects will continue to be pursued with a view to also commercialise the same.

4. **Expenditure on R&D**

Recurring Rs. 29,15,562; Capital Expenditure - Rs. 4,26,430

Total R&D Expenditure as a % of Total Turnover: 0.35%

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

- (a) Disposal of lime waste as per environmental norms at lower cost.
- (b) Reduction in coal consumption in unit gelatine production.

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

- (a) Better environmental conditions.
- (b) Saving in steam cost in unit gelatin production.

3. **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year following information may be furnished :**

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

} Not applicable as no technology imported



4. Foreign Exchange Earnings and Outgo

The F.O.B. value of exports amounted to Rs. 228.07 lacs against Rs 459.41 lacs in the previous year.

The expenditure in foreign exchange comprises import of raw materials Rs. 57.24 lacs, travel for export promotion Rs. 0.63 lacs and other expenditure Rs. 35.36 lacs.

For and on behalf of the Board

R.K. Raje
Director

A .K. Kapur
Wholetime Director

Place : Jabalpur

Date : August 3rd, 2011



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Social welfare and community development is at the core of the Company's CSR philosophy and this continues to be a top priority. The Company's executives interact with the neighbouring community on regular basis. The Company's contributions to the community are in the areas of health, education, infrastructure development (drinking water, improving village infrastructure, helping poor students, etc.), environment (effluent treatment, tree plantation, treatment of hazardous waste, etc.), relief and assistance in the event of a natural disaster and contributions to other social development organisations. The Company also supports and partners with several NGOs in community development and health initiatives. Some of the social activities carried out by the Company are as under :

Environment

The Company is fully compliant with various environmental protection and health and safety laws and regulations. In its constant endeavour to adhere to regulatory standards, the Company has instituted a compliance management system, which ensures full compliance to all applicable legal requirements.

The company has installed one of the most efficient effluent treatment plants to treat effluents in the form of solid waste, water or air for the protection of environment. The effluent generated during the process is organic in nature and is treated utilizing anaerobic and aerobic processes. The company is a pioneer in utilizing anaerobic process for gelatine effluent. The Bio-gas generated is utilized as partial replacement of furnace oil in hot air generator.

Keeping harmony with nature as a guiding principle, plantation of trees, maintenance of green belts and gardens in and around the manufacturing unit, mangrove plantation in the factory premises, 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 celebrated the World Environment Day and created environmental awareness amongst employees and surrounding communities. Plantation in rural areas on a large scale were also undertaken. The Company contributed in various programmes organized to ban the usage of Polythene in Bheraghat area.

Clean Narmada Green Jabalpur programme: 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 participated in programmes for the cleaning of Gwarlghat, Tilwaraghat, Saraswatighat and Bheraghat banks of the river Narmada and also made contribution to the International River Festival.

Health

All employees undergo regular periodic medical examinations. The company has a tie-up with a local Hospital wherein factory employees receive medical treatment as and when required.

The company maintains First Aid facility and a dispensary within the factory premises.



Social Responsibility and Community Development

The Company arranges for supply of drinking water in the surrounding villages and has for the purpose, arranged for installed drinking water connections in village Kodan and Bilha.

In addition, the Company provides drinking water at various locations around the factory during the summer season.

The Company also contributes funds for the marriage of poor girls of the surrounding villages.

Education

Education continues to be one of the focus areas of social development for the Company. The Company provides assistance to schools such as "Parivartan", Asha School, Ekal Vidyalaya. The Company supports academics and education at all levels, provides scholarships to poor girls of the locality. The company also provides educational support to various poor children through contributions to "Pahel Sanstha" Charitable Institution and Hamara Jabalpur for "Ballka Prothsahan Yojana". The Company has also aided the repairs and maintenance of schools located in the near by villages.

Religious and cultural programs

The Company has contributed to various local religious and cultural programmes such as Narmada Mahotsav, Kartik Mahotsav, Narmada Kumbh, Maa Narmada Samajik Kumbh.

During the traditional Navratri Garba festival, the Company contributed to various programs. Financial assistance and support was given to community festivals such as Durga Puja, Ravidas Jayanti, Vishwakarma Puja.

Community Health Care

The Company conducts regular health check-ups, medical diagnostic camps, cataract operative camps, distributes medicines and spectacles to large number of patients in the neighbouring villages of Jabalpur. The Company arranges for sprinkling of medicines and insecticides in the surrounding villages to prevent diseases and to promote cleanliness.



REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereinafter "the Code") through Clause 49 in the Listing Agreement executed by the Company with stock exchanges. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The Code has been periodically upgraded to ensure the adoption of best corporate governance practices. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49, for the financial year 2010-11.

1. Company's Philosophy on Corporate Governance

Corporate Governance is essentially a system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management and is a way of life, rather than a mere legal compulsion.

The Company believes that good Corporate Governance is critical to enhance and retain Investors' trust. The Board of Directors exercises its fiduciary duties in the widest sense of the term. The Company endeavors to enhance long term shareholder value and respects minority rights in all its business decisions.

Our disclosures always seek to attain the best practices in Corporate Governance. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things in the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legal requirements. We acknowledge our individual and collective responsibilities to manage our business activities with integrity.

In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise.

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

The Company has adopted a Code of Conduct for its employees including the Executive Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. The Code has been circulated to all the members of the Board and senior management and affirmation is received from all the members of Board and the senior management staff regarding its compliance.

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

- (I) The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Company has 7 Directors of which six are Non-Executive Directors, out of which three are Independent Directors.

Composition of the Board of Directors is as follows:

Category	Name of the Directors
Promoter Director	Ms. Kiran M. Chhabria
Executive Director	Mr. Ashok K. Kapur
Non-Executive Non-Independent Directors	Mr. Sanjeev Jain Mr. R.K. Raje
Independent Directors	Justice Gulab Gupta Mr. Deepak Chaudhuri Mr. M. C. Pant

- (II) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement, across all the companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2011 have been made by the Directors.

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

Name of Director	No. of other Directorships	Committees of which he/ she is a member	Committees of which he/ she is Chairperson	Attendance	
				Board Meetings	Last AGM (21.09.2010)
Ms. Kiran M. Chhabria	1	-	-	-	No
Mr. Sanjeev Jain	3	3	-	4	Yes
Mr. Deepak Chaudhuri	-	1	-	3	No
Justice Gulab Gupta	-	3	1	4	Yes
Mr. M.C. Pant	-	3	1	4	Yes
Mr. R. K. Raje	4	5	1	3	Yes
Mr. A.K. Kapur	1	1	-	4	Yes

Notes:

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.



Directors' Profile

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

Mr. Ravindra K Raje is a Fellow member of the Institute of Chartered Accountants of India. He is also a qualified Company Secretary and a Bachelor of Law. He has an experience of 35 years in industry and consultancy assignments.

He is presently on the Board of GWL Properties Limited, Harshit Finlease & Investments Pvt. Ltd., Jerom Trading & Investment Pvt. Ltd., Jumbo World Holdings (India) Ltd., Jumbo Electronics Corporation Pvt. Ltd., MPIL Corporation Ltd., Firestorm Electronics Corporation Pvt. Ltd., Primo Enterprises Private Ltd., SMN Engineers Ltd., L'Aquila Investments Co. Pvt. Ltd., Phonegarage.com (India) Pvt. Ltd., Viman Investments Pvt. Ltd., Wizer Advertising Pvt. Ltd., Aasman Management Services Pvt. Ltd.

He holds 127 equity shares of the company as on 31st March, 2011.

B. Board Meetings

During the year ended 31st March, 2011 the Company held four Board meetings. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings held are as under:

Sl.No.	Date	Board Strength	No. of Directors Present
1	18 th May 2010	7	6
2	12 th August, 2010	7	5
3	09 th November, 2010	7	5
4	07 th February, 2011	7	6

Information placed before Board of Directors

The Board of Directors are 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 any updates.
- Capital budgets and any updates.
- Quarterly results for the company.
- Minutes of meetings of audit committee and other committees of the board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- 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.

3. Audit Committee

The Audit Committee comprises of four Non-Executive Directors viz., Justice Gulab Gupta, Mr. Deepak Chaudhuri, Mr. R.K. Raje and Mr. M.C. Pant. Mr. Gulab Gupta, an Independent Non-Executive Director is the Chairman of the Audit Committee.

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

The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49.

The objective of the Audit Committee is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

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

- ▲ Reviewing the financial reports and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed in the reports.
- ▲ Recommending the appointment and removal of 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;



- Any related party transactions as per Accounting Standard 18.
 - Reviewing the Company's financial and risk management policies.
 - Disclosure of contingent liabilities.
-
- ▲ Reviewing with the management, and Internal auditors, the adequacy of Internal control systems.
 - ▲ 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 declared dividends) and creditors.

The Audit Committee Meetings are usually attended by the Whole Time Director, Head of Finance & Accounts Department, and representatives of the Statutory Auditors and Internal Auditors. The Company Secretary acts as Secretary of the Audit Committee.

The previous Annual General Meeting of the Company was held on 21st September, 2010. The Chairman of the Audit Committee, Justice Gulab Gupta attended the Meeting.

Four Audit Committee meetings were held during the year. The details of the meetings are as under:

Sl.No.	Date	Committee Strength	No. of Members Present
1	18 th May 2010	4	4
2	12 th August, 2010	4	3
3	09 th November, 2010	4	3
4	07 th February, 2011	4	4

The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below :

Attendance of each Member at the Audit Committee meetings held during the year:

S.No.	Name	No. of meetings attended
1	Mr. Deepak Chaudhuri	3
2	Justice Gulab Gupta	4
3	Mr. R.K. Raje	3
4	Mr. M.C. Pant	4

4. Remuneration Committee

- i) The Company has constituted a Remuneration Committee of Directors.
- ii) The broad terms of reference of the Remuneration Committee are as under:
 - a) To approve the remuneration and Incentive remuneration payable to the Whole-Time Director for each financial year;
 - b) To approve any change in Director's Sitting fees for attending the Board / Committee Meetings and such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.



- III) The composition of the Remuneration Committee and the details of meetings attended by the members of the Remuneration Committee are given below:

The Remuneration Committee comprises of the following Directors:

Mr. Deepak Chaudhuri	Chairman
Justice Gulab Gupta	Member
Mr. M.C. Pant	Member

One Remuneration Committee meeting was held during the year as detailed below:

Date	Committee Strength	No. of Members Present
12 th August, 2010	3	3

Details of Remuneration and other terms of appointment of Directors:

The aggregate value of the salary and perquisites paid for the year ended 31st March, 2011 to the Whole-Time Director was Rs. 28.35 lacs. Besides this, the Whole Time Director is entitled to Gratuity and encashment of leave at the end of tenure of service. The current agreement with the Whole-time Director is for a period of 3 years from the date of appointment and can be terminated by either party by giving three months' notice in writing.

The Non-Executive Directors were paid sitting fee at the rate of Rs. 4000/- for attending each meeting of the Board and Rs. 1000/- is paid as sitting fees to Committee members for attending each Committee Meeting of the Directors.

5. Shareholders' Grievances Committee

The Shareholders' Grievances Committee of the Company consists of the following Directors:

Mr. M.C. Pant (Chairman)
Justice Gulab Gupta
Mr. A. K. Kapur

Mr. Mahesh Verma, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India and overseeing the Investors' grievances. The Board has delegated the power of approving transfer of shares / Issue of duplicate certificates etc. to the Whole Time Director and Company Secretary.

During the year, eleven investor complaints were received by the Company. As on 31st March, 2011 there were no complaints pending reply.

6. Code of Business Conduct & Ethics

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



The Company's Board of Directors and Senior Management Personnel are responsible for conduct of the business, and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and International Investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A declaration signed by the Whole time Director of the Company is given below:

This is to confirm that the Company has adopted a Code of Conduct for its Directors and employees of the Company.

Compliance with the Code of Conduct

I confirm that the Company has, in respect of the financial year ended March 31, 2011, 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

7. 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
47 th	2007-08	Hotel Narmada Jackson South Civil Lines, Jabalpur	Friday, 19 th September, 2008 at 12:30 p.m.	None
48 th	2008-09	Hotel Narmada Jackson South Civil Lines, Jabalpur	Tuesday, 8 th September, 2009 at 12:30 p.m.	For re-appointment of Shri Ashok K. Kapur as the Whole Time Director of the Company.
49 th	2009-10	Hotel Satya Ashoka, Wright Town, Jabalpur	Tuesday, 21 st September, 2010	For re-appointment of Shri Ashok K. Kapur as the Whole Time Director of the Company.

During the year ended 31st March, 2011, there were no resolutions passed by the Company's members through Postal Ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through Postal Ballot.

8. Disclosures

- a. Disclosure on materially significant transactions with the related parties viz. Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large :



There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company, as all the related party transactions are on arms length basis and in the best interest of the Company. Attention of the Shareholders is drawn to the disclosures of transactions with the related parties set out in Notes to Accounts Schedule 18, forming part of the Annual Report.

- b. The Whole-Time Director (CEO) and the Head of Finance have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement for the year ended 31st March 2011.
- c. Details of non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years

There have been no instances of non-compliance with any legal requirements nor have been any strictures imposed by the Stock Exchange, SEBI etc, on any matters relating to the capital market over the last three years.

9. 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 generally in Financial Express/ Hitvada and Navbharat/ Dainik Bhaskar/ Raj Express/ Nai Duniya/ Har Bhoomi having all-India coverage.

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

SEBI EDIFAR: Annual reports, quarterly results, shareholding pattern, etc. of the Company are also posted on the SEBI website corpfilling.co.in Management Discussion and Analysis forms part of the Annual Report.

10. General Shareholders' Information

• Annual General Meeting

Day & Date	:	Monday 19 th September, 2011
Time	:	12:00 noon.
Venue	:	Hotel Narmada Jackson South Civil lines, Jabalpur Jabalpur

• Financial Calendar 2011-2012

First Quarter Result	:	By 15th August 2011
Second Quarter Results	:	By 15th November, 2011
Third Quarter Results	:	By 15th February, 2012
Annual Results for the year ending on 31st March, 2012	:	By 30th May 2012



- **Book Closure period** : 12th September, 2011 to 19th September 2011
(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 19th September, 2011 to those shareholders, whose names appear on the Company's Register of Members on 19th September, 2011.

- **Listing of Shares and other Securities**

Name of Stock Exchange(s)

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

- **Stock Code**

Scrip Code : Bombay Stock Exchange (BSE) "526739"
Company Symbol: NARMADA GELA

- **Stock Market Data**

The monthly high/ low market prices of the shares during the year 2010-11 at the Bombay Stock Exchange Limited (BSE) were as under:

(Rs. per share)

Months	High Price	Low Price
April 2010	104.50	94.60
May 2010	103.05	82.05
June 2010	96.00	84.70
July 2010	112.00	89.50
August 2010	100.00	82.00
September 2010	104.95	92.50
October 2010	105.00	96.00
November 2010	118.00	85.10
December 2010	100.90	86.00
January 2011	99.00	75.00
February 2011	90.00	71.00
March 2011	90.00	75.60

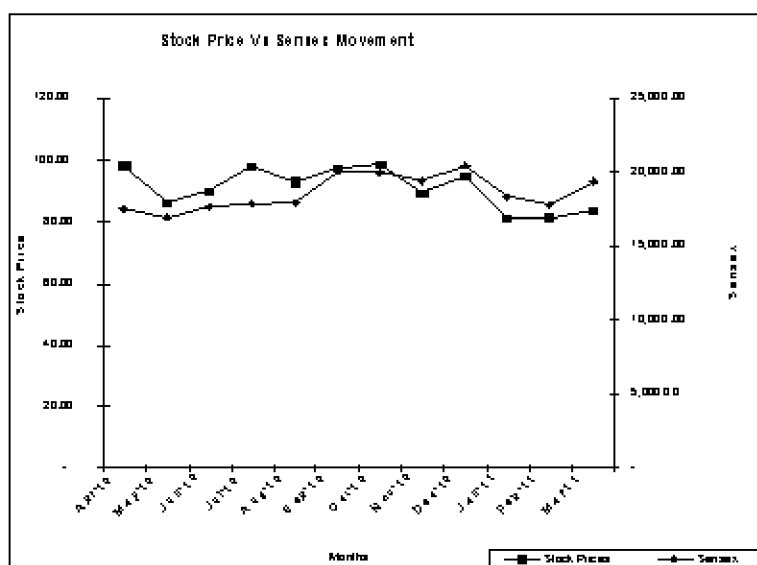
(Source BSE website)



- Share price performance compared with broad based indices

		BSE
Company's Share Price	As on 01.04.2010	99.00
	As on 31.03.2011	83.50
	Change	-15.66%
BSE Sensex	As on 01.04.2010	17,555.04
	As on 31.03.2011	19,445.22
	Change	10.77%

- Performance of Share price In comparison to the BSE Sensex



- Registrar & Share Transfer Agents

CB Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata 700 019.
Phone: (033) 2280 6692-93-94
Fax: (033) 2287 0263
Email : cbmsl1@cal2.vsnl.net.in

- Dividend declared for the last five years

<u>Year</u>	<u>On 9% Cumulative Preference Shares</u>	<u>On Equity Shares</u>
2006-07	9%	15%
2007-08	9%	20%
2008-09	9% (Pro-rata)	25%
2009-10	NA	30%
2010-11	NA	40% (Proposed)



- **Share Transfer System :**

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

In compliance with the Listing Agreement / SEBI Guidelines -

- a) a Practicing Company Secretary carries out Secretarial 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.
- b) Shareholding pattern and financial results are being uploaded in "Electronic Data Information Filing and Retrieval" (EDIFAR) quarterly and the Annual Report annually.
- c) a Practicing Company Secretary carries out a Due Diligence survey, pertaining to share transfers, transmissions etc., every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges in compliance with clause 47(c) of the Listing Agreement.

- **Distribution of Shareholding :**

The distribution of shareholding as on 31st March 2011 is given below :-

Range No. of shares	Shareholders		Shares	
	Number	% To Total Shareholders	Numbers	% To Total Capital
1 - 500	1373	84.49	197133	4.89
501 - 1000	111	6.83	87403	2.17
1001 - 2000	58	3.57	89069	2.21
2001 - 3000	44	2.71	114467	2.84
3001 - 4000	10	0.62	35031	0.87
4001 - 5000	6	0.37	27886	0.69
5001 - 10000	8	0.49	52077	1.29
10001 and above	15	0.92	3429992	85.04
TOTAL	1625	100.00	4033058	100.00



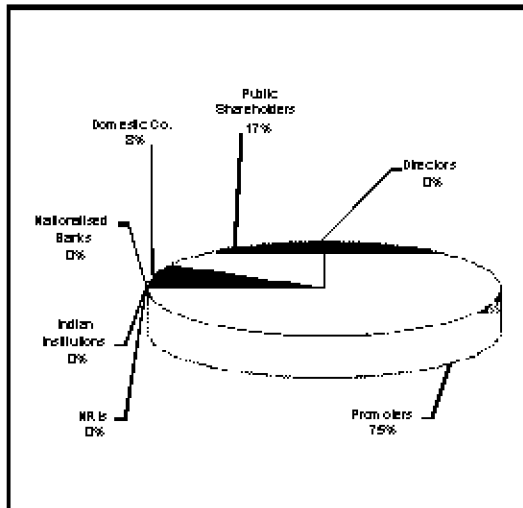
• **Dematerialisation of shares as on 31st March , 2011**

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

Category	No. of shares	%
Demat	3948754	97.91
Physical	84304	2.09
Total	4033058	100.00

A pie chart illustrating the dematerialisation of shares. The chart is divided into two segments: a large white segment representing 'De-mat' at 98% and a small black segment representing 'Physical' at 2%. A legend to the right of the chart identifies the white color with 'De-mat' and the black color with 'Physical'.

• **Shareholding pattern of the Company as on 31st March , 2011**



Category	No. of shares	% holding
Promoters	3024793	75.00%
NRIs	13500	0.33%
Indian Institutions	350	0.01%
Nationalised Banks	Nil	Nil
Domestic Companies	316427	7.85%
Public Shareholders	677261	16.79%
Directors	727	0.02%
Total	4033058	100.00%

• **Registered Office**

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

• **Address for Correspondence**

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

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

(c) C B Management Services Pvt. Ltd.
P-22, Bondel Road,
Kolkata 700 019.
Phone : (033) 2280 6692-93-94
Fax : (033) 2287 0263
Email : cbmsl1@cal2.vsnl.net.in



• **Plant Location**

Meergunj, Bheraghat Road, Jabalpur, M.P.

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

Pursuant to Sections 205A and 205C of the Companies Act, 1956, all unclaimed / unpaid dividend, debenture interest as well as principal amount of debentures as at March 31, 2011 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government.

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

The Investors are advised to claim the unencashed equity dividend / preference dividend / preference redemption money for the years 2003-04 to 2009-10 lying in the unclaimed accounts of the Company before the due dates (as indicated in the Notes to the Notice) for crediting the same to the Investor Education and Protection Fund.

During the financial year 2010-11 the Company has remitted the unclaimed 3rd and final Debenture Redemption amounting to Rs. 1,69,836/- to the Investor Education and Protection Fund.

On behalf of the Board of Directors

Place : Jabalpur
Date : 30th May, 2011

Ravindra K. Raje
Director

Ashok K. Kapur
Whole-time Director



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
NARMADA GELATINES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Narmada Gelatines Limited (the company) for the year ended 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said company, with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note on Certificate of Corporate Governance Issued by the Institute of Chartered Accountants of India, we state that as per the records maintained by the company, there were no investor's grievances remaining unattended / pending for more than 30 days as on 31.03.2011.

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

For T.R. Chadha & Co.
Firm Registration No. 006711N
Chartered Accountants

Date: May 30, 2011
Place: Jabalpur

Vikas Kumar
(Partner)
M. N. 75363



AUDITORS' REPORT

To,
The Members of Narmada Gelatines Limited

1. We have audited the attached Balance Sheet of Narmada Gelatines Limited as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 Issued by the Central Government of India in terms of sub-section (4A) of the Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to above, we report that :
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account.
 - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - 4.5 On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act 1956;
 - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes on Accounts as per Schedule 17, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :



- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For T.R. Chadha & Co.
Chartered Accountants**

**Date : May 30, 2011
Place : Jabalpur**

**Vikas Kumar
(Partner)
M. N. 75363
Firm Registration No. 006711N**



**Annexure to the Auditors' Report for the year ended 31st March, 2011
(Referred to in Paragraph 3 of our Report of even date)**

I. Fixed Assets

- a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- b) As per the information and explanation given to us, the company has physically verified its assets during the previous year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verifications.
- c) The assets discarded / sold during the year are not substantial and are not affecting the operations of the Company as a going concern.

II. Inventories

- a) The inventory (except inventory in transit, the subsequent confirmation of which has been obtained) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Company is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operation of the company and the same have been properly dealt with in the books of account.

III. Loans given / taken

As informed to us, the company has neither granted nor taken any Loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 3 (b) to 3 (g) of Para 4 of the Companies (Auditor's Report) Order are not applicable to the Company.

IV. Internal Control

In our opinion, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weakness in internal control system.

V. Transactions under Section 301

According to the information and explanation given to us, there are no contracts or arrangements entered



during the year which needs to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956.

VI. Public Deposit

The Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956.

VII. Internal Audit System

In our opinion, the Company's internal audit system is generally commensurate with the size and nature of its business.

VIII. Cost Records

As explained to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956, for any of its products.

IX. Statutory Dues

- a) The Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year. We have been informed that the employees of the Company is not covered under Employees' State Insurance Scheme. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investors Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues were in arrears as at 31.03.2011 for a period of more than six months from the date they became payable.
- b) The details of dues of Income Tax / excise duty not deposited on account of dispute alongwith the amounts involved and the forum where dispute is pending is given as under :

Nature	Amount Rs. in Lacs	Forum at which pending
Income Tax	71.27	ITAT
Excise Duty	380.61	High Court
	126.65	CESTAT
	524.24	Commissioner / Commissioner (Appeals)
	7.32	Asst. Commissioner



- X.** The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year, nor does it have any accumulated losses.
- XI.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- XII.** The Company has not granted any loans and advances on the basis of any security by way of pledge of shares, debentures and other securities.
- XIII.** As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clauses 13 (a) to (d) of Para 4 of the Companies (Auditor's Report) Order are not applicable to the company.
- XIV.** As explained and verified, the Company is not engaged in dealing or trading in shares, securities, debentures and other investments.
- XV.** As explained and verified, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI.** The Company has not obtained any term loan during the year. Accordingly, the provisions of clauses 16 of Para 4 of the Companies (Auditor's Report) Order are not applicable to the company.
- XVII.** According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- XVIII.** According to the information and explanations given to us and verified by us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of Companies Act, 1956.
- XIX.** According to the information and explanations given to us the Company has not issued any debentures during the year.
- XX.** According to the information and explanations given to us the Company has not raised any money from the public during the year through public issue.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Date : May 30, 2011
Place : Jabalpur

For T.R. Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)
M. N. 75363

**BALANCE SHEET AS AT 31st MARCH 2011**

				Amount (Rs.000)	
	Schedule	As at 31st March 2011		As at 31st March 2010	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	40338		40338	
Reserves & Surplus	2	<u>524375</u>	564713	<u>450097</u>	490435
LOAN FUNDS					
Secured Loans	3		6564		3942
DEFERRED TAX LIABILITY (Net)					
			33132		33499
TOTAL			604409		527876
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	4	500049		484116	
Less: Depreciation		<u>294629</u>		<u>275715</u>	
Net Block			205420		208401
Capital Work in Progress			729		1657
INVESTMENTS					
	5		65003		55003
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	6	173980		118113	
Sundry Debtors	7	132842		123336	
Cash and Bank Balances	8	84651		74597	
Other Current Assets - Interest Accrued on Deposits		2620		1853	
Loans and Advances	9	<u>36589</u>		<u>32232</u>	
		430682		350131	
Less: Current Liabilities and Provisions					
Current Liabilities	10	65625		60951	
Provisions	11	<u>31800</u>		<u>26365</u>	
		97425		87316	
NET CURRENT ASSETS			333257		262815
TOTAL			604409		527876

NOTES ON ACCOUNTS

17

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

TR.CHADHA & CO.

Chartered Accountants

For and on behalf of the Board**Vilas Kumar**

Partner

M.Verma

Company Secretary

R.K.Raje

Director

A.Kapur

Director

Jabalpur

30th May, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

		Amount (Rs. '000)	
	Schedule	Year Ended 31st March 2011	Year Ended 31st March 2010
INCOME			
Sales		964756	875294
Less: Excise Duty		54976	37832
Net Sales		<u>909780</u>	<u>837462</u>
Other Income	12	13032	14007
Total		<u>922812</u>	<u>851469</u>
EXPENDITURE			
Raw Materials Consumed	13	487495	391254
Manufacturing, Administrative & Other Overheads	14	294827	287540
Interest	15	131	995
(Increase) / Decrease in Stocks	16	(17692)	33492
Depreciation		18919	17701
Less: Transfer from Revaluation Reserve		<u>1634</u>	<u>1952</u>
Total		<u>782046</u>	<u>729030</u>
Profit before taxation		140766	122439
Provision for Taxation			
Current Year Tax		46409	40740
Deferred Tax		<u>(366)</u>	<u>(89)</u>
PROFIT AFTER TAXATION		<u>94723</u>	<u>81788</u>
Balance brought forward from previous year		<u>229846</u>	<u>170345</u>
Profit available for appropriation		<u>324569</u>	<u>252133</u>
Appropriations :			
Transfer to General Reserve		9472	8179
Proposed Dividend on Equity Shares		16132	12099
Tax on proposed dividend		2679	2009
Balance carried to Balance Sheet		<u>296286</u>	<u>229846</u>
		<u>324569</u>	<u>252133</u>
Basic and Diluted Earnings per Share (Rs.)		23.49	20.28
<small>(Refer Note No. 11 of Notes to Accounts)</small>			

NOTES ON ACCOUNT

17

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

T.R. CHADHA & CO.
Chartered Accountants

For and on behalf of the Board

Vikas Kumar
Partner

M.Verma
Company Secretary

R.K.Raje
Director

A.Kap ur
Director

Jabalpur 30th May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

Amount (Rs.'000)

	Year Ended 31st March 2011	Year Ended 31st March 2010
A. Cash Flow from Operating Activities :		
Net profit before tax	140766	122439
Adjustments for :		
Depreciation	17285	15749
Interest Income	(4482)	(7709)
Profit on sale of Investments	(1174)	0
Interest Expenses	131	995
Loss/(Profit) on Impairment/sale of fixed assets	0	402
Sundry Debit Balances Written off	132	86
Provision / Balances written back	(363)	(387)
Operating profit before working capital changes	152295	131575
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	(12323)	(32943)
(Increase)/Decrease in Inventories	(55867)	25770
Increase/(Decrease) In Trade and Other Payables	4417	(4843)
Cash generated from operations	88523	119559
Direct Taxes paid	(45351)	(39459)
Net Cash from operating activities (A)	43172	80100
B. Cash Flow from Investing Activities :		
Sale of Fixed Assets	0	300
Purchase of Fixed Assets & Capital WIP	(17157)	(14588)
Profit on sale of Investments	1174	0
Investment in Mutual Funds	(10000)	(55000)
Interest received	4482	7709
Net Cash used in Investing Activities (B)	(21501)	(61579)

cont..2



Cont... 2

C. Cash Flow from Financing Activities:

Dividend including tax thereon paid	(14108)	(11797)	
Net Increase/(Decrease) in Bank borrowings	2622	(20787)	
Interest Paid	<u>(131)</u>	<u>(995)</u>	
Net Cash used in Financing Activities (C)		<u>(11617)</u>	<u>(33579)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		<u>10054</u>	<u>(15058)</u>
Cash and Cash Equivalents (Opening Balance)		<u>74597</u>	<u>89655</u>
Cash and Cash Equivalents (Closing Balance)		<u>84651</u>	<u>74597</u>

Notes:

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

(b) Cash and Cash Equivalents represent:

	As at 31.03.2011 (Rs. 000)	As at 31.03.2010 (Rs. 000)
Cash and Cheques in Hand	609	663
Remittance in Transit	2971	91
Balance with Scheduled Banks	81071	73843
(Includes Rs.41680 (Previous year Rs.22663) which are not available for use by the Company)		

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

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

T.R.CHADHA & CO.
Chartered Accountants

For and on behalf of the Board

Vikas Kumar
Partner

M. Verma
Company Secretary

R.K.Raje
Director

A.Kapur
Director

Jabalpur 30th May, 2011



SCHEDULES TO ACCOUNTS

	Amount (Rs.'000)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 1: SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs.10/- each	100000	100000
1,00,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each.	100000	100000
	<u>200000</u>	<u>200000</u>
Issued, Subscribed and Paid up		
40,33,058 Equity Shares of Rs.10/- each, fully paid	40331	40331
Forfeited Shares	7	7
Total	40338	40338

Notes :

(1) Of the above Equity Shares:

(a) 5,96,020 Equity Shares(*) were allotted as fully paid up by way of bonus shares by capitalisation of Capital Redemption Reserve and General Reserve in 1994-95.

(b) 46,650 Equity Shares(*) were allotted as fully paid up for consideration other than cash, pursuant to a contract.

*some of these shares (numbers not ascertainable since shares are in demat form) stand cancelled as per the Scheme of arrangement approved by Calcutta High Court on 6th May, 2003.

(2) 30,24,793 (Previous year 30,24,793) Equity Shares of Rs. 10/- each are held by Dandavati Investments Trading Co. Pvt. Ltd., the holding company

SCHEDULE - 2 : RESERVES AND SURPLUS

Capital Reserve	751	751
Securities Premium Account	47841	47841
Revaluation Reserve		
As per last Balance Sheet	17393	19622
Less: Deduction on account of depreciation / impairment / sale of certain assets (Note below)	<u>1634</u>	<u>2229</u>
	15758	17393
Capital Redemption Reserve		
As per last Balance Sheet	14862	14862
General Reserve		
As per last Balance Sheet	139404	131224
Add: Transferred from Profit & Loss Account	<u>9472</u>	<u>8179</u>
	148876	139404
Profit & Loss Account	296286	229846
Total	524375	450097

Note: Deductions from Revaluation Reserve comprises of Rs.1,634 (Prev. Year Rs. 1,952) thousands on account of depreciation and Nil (Prev. Year Rs. 277) thousands on account of impairment/ sale of certain assets (Plant & Machineries) during the year.



SCHEDULES TO ACCOUNTS

Amount (Rs.'000)

	As at 31st March 2011	As at 31st March 2010
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SCHEDULE - 3 : SECURED LOANS

Cash Credit from Banks	0	3942
Secured by hypothecation charge over entire current assets, stock of raw material, finished goods, work in progress and receivable of the company, both present and future and also mortgage / hypothecation charge on Land and Building and other immovable and movable Fixed Assets of the Company.		
Bank Overdraft	6564	0
Secured against Fixed Deposits		
Total	6564	3942

SCHEDULE - 4 : FIXED ASSETS

Amount (Rs.'000)

Assets	Gross Block at cost / Revalued value				Depreciation				Net Block	
	As at	Additions	Disposals /	As at	As at	Disposals /	For	As at	As at	As at
	1st Apr '10		Impairment	31st Mar '11	1st Apr '10	Impairment	the Year	31st Mar '11	31st Mar '11	31st Mar '10
Freehold Land	11928	0	0	11928	0	0	0	0	11928	11928
Buildings	51973	2432	0	54405	34158	0	1189	35347	19058	17815
Plant and Machinery	410258	13975	2132	422101	233163	0	16934	250097	172004	170095
Furniture and Fittings	1476	16	0	1492	1366	0	47	1413	79	110
Computer & Office Equipments	5757	486	20	6223	4446	5	628	5069	1154	1311
Electrical Installations	1948	1176	0	3124	1845	0	121	1966	1158	103
Vehicles	776	0	0	776	737	0	0	737	39	39
Total	484116	18085	2152	500049	275715	5	18919	294629	205420	208401
Previous Year	467170	25156	8210	484116	265268	7254	17001	275715	208401	

Note: Freehold Land, Buildings, Plant & Machinery and Electrical Installations were revalued on 31.3.1990 and 31.3.1993 by an approved valuer at the then net replacement cost. The appreciation in value of these assets over their book value has been credited to Revaluation Reserve.



SCHEDULES TO ACCOUNTS

Amount (Rs.000)

As at
31st March 2011

As at
31st March 2010

SCHEDULE - 5: INVESTMENTS

Long Term :

In Government Securities - NSC 3 3

Investment in Mutual Funds (Unquoted)* 65000 55000

Total **65003** **55003**

*Investment in Mutual Fund:

Name of Mutual Fund	No. of units	Cost	No. of units	Cost
Reliance Regular Saving Fund - Debt - Growth Option	-	-	878861	11000
Templeton India Income Opportunities Fund - Growth	3317844	34000	2357958	24000
ICICI Prudential Long Term Plan - Growth option	-	-	1017812	20000
BSL Fixed Term Plan Series CP -Growth	1100000	11000	-	-
Kotak FMP Series 43 -Growth	2000000	20000	-	-
Total		65000		55000
Net Asset Value as on 31st March		67587		55505

SCHEDULE - 6 : INVENTORIES

Stores & Spare Parts 24979 15284

Raw Materials 70612 42132

Stock in Process 58153 45194

Finished Goods (including in transit) 20236 15503

Total **173980** **118113**

**SCHEDULES TO ACCOUNTS**

Amount (Rs. '000)

	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 7 : SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	1049	0
Considered doubtful	609	1528
Other Debts (Considered Good)	<u>131793</u>	<u>123336</u>
	133451	124864
Less: Provision for doubtful debts	609	1528
Total	132842	123336

SCHEDULE - 8 : CASH & BANK BALANCES

Cash and Cheques in Hand	609	663
Remittances in Transit	2971	91
Balances with Scheduled Banks in		
Current Account	5254	9504
Cash Credit Account	5137	4176
Margin Deposit	2142	2153
Fixed Deposit*	64967	53407
Unpaid Dividend Account	1253	2058
Unpaid Debenture Redemption Account	0	170
9% Preference Shares Redemption Account	2318	2375
Total	84651	74597

* includes a Fixed Deposits of Rs.359.67 lacs (Prev. Year Rs.159.07 lacs) on which charge has been created for availing overdraft facility from a bank.

SCHEDULE - 9 : LOANS AND ADVANCES (Unsecured)**Considered Good**

Advances Recoverable in cash or in kind or for value to be received	30277	26387
Deposits with Government and other bodies	6312	5845
Total	36589	32232

**SCHEDULES TO ACCOUNTS**

Amount (Rs.'000)

	As at 31st March 2011	As at 31st March 2010
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SCHEDULE - 10 : CURRENT LIABILITIES

Dues to Micro and Small Enterprise (Refer Note no.7 of Notes to Accounts)	6175	5688
Dues to creditors other than Micro and Small Enterprise	27651	25882
Other Liabilities	28228	25078
Unclaimed Dividend*	1253	2058
Unclaimed Debenture Redemption Account*	-	170
Unclaimed 9% Preference Share Redemption Account*	2318	2375
Total	65625	60951

*These amounts will be transferred to the Investor Education and Protection Fund upon the same becoming due after seven years in terms of section 205A and 205C of the Companies Act, 1956.

SCHEDULE - 11 : PROVISIONS

Provision for Income tax (net of Advance Tax Rs.16971.6 Previous year 124375)	4308	3235
Provision for Gratuity	4478	4735
Provision for Leave Encashment	2905	2989
Provision for Cerwat Credit Reversal	1298	1298
Proposed Dividend on Equity Shares	16132	12099
Tax on Dividend	2679	2009
Total	31800	26365

	Year ended 31st March 2011	Year ended 31st March 2010
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SCHEDULE - 12 : OTHER INCOME

Miscellaneous Income	7362	6298
Foreign Exchange Gain	14	0
Profit on sale of Investments	1174	0
Interest Income (Gross)		
From Banks	4142	7385
From Others	340	324
[Tax Deducted at source Rs.651 [Previous Year Rs.1039] thousands]	4482	7709
Total	13032	14007

SCHEDULE - 13 : RAW MATERIALS CONSUMED

Opening Stock	42132	28961
Add : Purchases	515975	404425
	558107	433386
Less : Closing Stock	70612	42132
Total	487495	391254



SCHEDULES TO ACCOUNTS

Amount (Rs.'000)

	Year ended		Year ended	
	31st March 2011		31st March 2010	

SCHEDULE - 14 : MANUFACTURING, ADMINISTRATIVE & OTHER OVERHEADS

Staff Costs				
Salaries, Wages and Bonus	68595		64907	
Contribution to Provident & Other Funds	9094		8871	
Workmen & Staff Welfare	<u>2875</u>	80564	<u>2786</u>	76564
Consumption of stores and spare parts		12071		10957
Excise Duty on Stock		454		367
Rates & Taxes		346		376
Power & Fuel		148654		135668
Effluent Expenses		2533		1847
Insurance		852		1024
Repairs				
Building	150		1085	
Machinery	<u>16238</u>	16388	<u>22137</u>	23222
Audit fees & Expenses				
Audit Fees	418		418	
Tax Audit Fees	77		77	
Other matters	31		30	
Reimbursement of out of pocket expenses	<u>91</u>	617	<u>54</u>	579
Freight and Delivery Charges		8253		9579
Selling Agents' Commission		3223		4540
Travelling		1445		1324
Directors' Fees		89		88
Rebate & Discount		916		2378
Advertisement		588		511
Research & Development Expenses		879		1279
Sundry Balances written off		132		86
Impairment Loss		0		402
Interest paid/payable to SMEs		1		6
Miscellaneous Expenses		16822		16744
Total		294827		207541

SCHEDULE - 15 : FINANCE CHARGES

Interest to Bank		131		995
Total		131		995

SCHEDULE - 16 : (INCREASE) / DECREASE IN STOCKS

Closing Stocks				
Finished Goods	20236		15503	
Stock in Process	<u>58153</u>	78389	<u>45194</u>	60697
Opening Stocks				
Finished Goods	15503		48614	
Stock in Process	<u>45194</u>	60697	<u>45575</u>	94189
Total		(17692)		33492

**SCHEDULES TO ACCOUNTS****SCHEDULE 17 - NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011****A Significant Accounting Policies****1 Basis of Accounting**

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the accounting standards notified under Section 211 (3C) of the Act, read with Companies (Accounting Standards) Rules, 2006.

2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the period in which the results are known or the events materialize.

3 Fixed Assets

Freehold land, Buildings, Plant and Machinery and Electrical Installations were revalued as at 31.3.93 by an approved valuer at the then net replacement cost and were stated accordingly.

The gross block of Fixed Assets is stated at cost of acquisition or construction (except revalue 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.

4 Depreciation

- (i) Depreciation is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on certain Buildings acquired prior to 1st July 1986 is charged under Written Down Value method and on others under Straight Line method.
- (iii) Being a continuous plant, Depreciation on Plant and Machinery has been charged @ 5.28% 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.
- (iv) Depreciation on Electrical Installations and Furniture & Fixtures is charged under Written Down Value method.
- (v) Depreciation on Motor Vehicles is charged under Straight Line method.
- (vi) In respect of revalued assets the incremental depreciation on account of revaluation is recouped from Revaluation Reserve.



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS**5 Investments**

Long term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

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

6 Inventories

Inventories are stated at cost (net of CENVAT credit) or net realisable value, whichever is lower. Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

7 Research and Development Expenses

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

8 Revenue Recognition

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

9 Income from Investments

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

10 Foreign Currency Transactions

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



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS**11 Retirement benefits**

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

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

12 Accounting for Taxes

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

13. Voluntary Retirement Scheme Expenses

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

14. Impairment of Assets

Impairment losses (if any) on fixed assets (including revalued assets) are recognized in accordance with the Accounting Standard 28 "Impairment of Assets" issued in this regard by the Institute of Chartered Accountants of India. If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

15 Provision and Contingent Liabilities:

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

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

**SCHEDULES TO ACCOUNTS**
SCHEDULE 17 - NOTES ON ACCOUNTS

B	Notes to Accounts	Amount (Rs. '000)	
		As at 31.03.2011	As at 31.03.2010
1.	Estimated amount of contract remaining to be executed on capital account not provided for	29521	558
2.	Contingent liability not provided for in respect of :		
	(a) Counter Guarantees to Bank	650	650
	(b) Letter of Credit	Nil	25
	(c) Claims not acknowledged as debts :		
	(i) Excise Duty	103881	99911
	(ii) Income Tax	7127	7127

3. Stores consumed included under Repairs to Machinery Rs.100.95 lacs (2009-10: Rs.124.25 lacs), Miscellaneous Expenses Rs.7.50 lacs (2009-10: Rs. 11.13 lacs), Workmen and Staff Welfare Rs.3.37 lacs (2009-10: Rs.3.73 lacs) and Repairs to Buildings Rs. Nil (2009-10: Rs. 0.004 lacs).

4. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provisions are made for all the expected liabilities.

5. Certain Debtors' and Creditors' balances are subject to confirmation. Adjustments in this respect, if any, will be carried out as and when ascertained, which in view of the management would not be material.

6. Excise Duty deducted from Gross sales represents the Excise Duty paid on Goods removed from the Factory and is net of provisions of Excise duty on closing stock at factory.

7. Dues to Micro & Small Enterprises

The amount payable to Micro & Small Enterprises has been disclosed in the balance sheet as required under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. The company has provided interest of Rs. 0.01 lacs (2009-10: Rs.0.06 lacs) on the delay in payment to the Micro & Small Enterprises, outstanding for more than 45 days.

8. Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS

Defined Contribution Plans:

PROVIDENT FUND

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

(Rs. in '000)

	Year ended 31.3.2011	Year ended 31.3.2010
Contribution to Provident Fund	4537	4136

Defined Benefit Plans:

- Gratuity
- Leave Encashment

Gratuity is payable to employees as per Payment of Gratuity Act. Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy. The company has funded the Gratuity liability with Group Gratuity Scheme of Life Insurance Corporation of India Ltd. The Leave encashment liability is not funded with any approved authority.

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

GRATUITY

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Discount Rate per annum (Compound)	8.00%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected Rate of Return on Plan Assets	9.25%	9.25%
Expected Average remaining working lives of employees in no. of years	Officers -12.81 Staff - 9.11	Officers -15 Staff - 9

Summary of Key Information - Gratuity

i. Changes in Defined Benefit Obligation:

(Rs.000)

Particulars	As at 31.03.2011	As at 31.03.2010
Present Value of obligation 01.04.2010	30443	25190
Interest Cost	2285	1688
Current Service Cost	3784	3216
Actuarial (Gain) / Loss	965	2508
Benefits paid	(3755)	(2159)
Present Value of obligation as at 31.3.2011	33723	30443



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS

ii. Changes in Fair Value of Plan Assets:

(Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Fair Value of Plan Assets as at 1.4.2010	25708	22005
Adjustment in opening balance	Nil	541
Actual Return on Plan Assets	2424	2129
Employer Contribution	4745	3106
Actuarial Gain/Loss	123	86
Benefits Paid	(3755)	(2159)
Fair Value of Plan Assets as at 31.3.2011	29245	25708

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

(Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Present Value of obligations as at 31.3.2011	33723	30443
Fair Value of Plan Assets as at 31.3.2011	29245	25708
Present Value of unfunded obligation as at 31.3.2011	4478	4735
Unrecognised Past Service	0	0
Unrecognised Actuarial (Gain) / Loss	0	0
Unfunded Net Liability recognised in Balance Sheet	4478	4735

iv. Expenses recognised in Profit and Loss Account:

(Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Current Service Cost	3784	3216
Interest Cost	2285	1688
Net Actuarial (Gain) / Loss	842	2421
Actual Return on Plan Assets	(2424)	(2129)
Others	0	0
Total Expenses recognised in Profit and Loss A/c	4488	5196
Expected Employer contribution for next year	4488	4735

LEAVE ENCASHMENT

Particulars	As at 31.03.2011	As at 31.03.2010
Discount Rate per annum (Compound)	8.00%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected Rate of Return on Plan Assets	NA	NA
Expected Average remaining working lives of employees in no. of years	Officers - 12.79 Staff - 8.75	Officers - 15 Staff - 9

**SCHEDULES TO ACCOUNTS**
SCHEDULE 17 - NOTES ON ACCOUNTS**Summary of Key Information - Leave Encashment****i. Changes in Defined Benefit Obligation:** (Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Present Value of obligation as at 1.4.2010	2989	2565
Interest Cost	208	195
Current Service Cost	1316	1127
Actuarial (Gain) / Loss	(1369)	(824)
Benefits paid	(239)	(74)
Present Value of obligation as at 31.3.2011	2905	2989

ii. Changes in Fair Value of Plan Assets: (Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Fair Value of Plan Assets as at 1.4.2010	0	0
Actual Return on Plan Assets	0	0
Employer Contribution	239	74
Benefits Paid	(239)	(74)
Fair Value of Plan Assets as at 31.3.2011	0	0

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

(Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Present Value of obligations as at 31.3.2011	2905	2989
Fair Value of Plan Assets as at 31.3.2011	0	0
Funded Liability Recognised in Balance Sheet	(2905)	(2989)
Present Value of unfunded obligation as at 31.3.2011	0	0
Unfunded Net Liability recognised in Balance Sheet	(2905)	(2989)

iv. Expenses recognised in Profit and Loss Account (Rs.'000)

Particulars	As at 31.03.2011	As at 31.03.2010
Current Service Cost	1316	1127
Interest Cost	208	195
Net Actuarial (Gain) / Loss	(1369)	(824)
Others	0	0
Total Expenses recognised in Profit and Loss A/c	156	499
Expected Employer contribution for next year	156	499

**SCHEDULES TO ACCOUNTS**
SCHEDULE 17 - NOTES ON ACCOUNTS**9. Segment information as per Accounting Standard (AS-17)**

The company is engaged in the business of manufacture and sale of gelatine and its by-product DCP for industrial applications which form part of one product group and hence a single business segment. However, based on geographical factors, reportable geographic segments have been identified as exports sales and domestic sales. The segment wise information pertaining to the reportable geographical segments for the year ended 31st March, 2011 is as follows:

(Rs.'000)

	<u>Exports</u>	<u>Domestic</u>	<u>Total</u>
Segment Revenue	20567	896592	917159
	(47879)	(795783)	(843662)
Segment Results	(4757)	145654	140897
	(4559)	(118874)	(123433)
Unallocated Expenditure			131
			(995)
Profit Before Tax			140766
			(122438)

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

10. Related Party Disclosure as per Accounting Standard (AS-18)**(a) Enterprises where control exists:**

Jumbo World Holdings Limited	Ultimate Holding Company
Dandvatl Investments & Trading Co Pvt. Ltd.	Holding Company

All the companies in the group including those disclosed above are controlled directly/ indirectly by the heirs of late Mr. M. R. Chhabria through Jumbo World Holdings Limited and its various subsidiary/ associate companies.

(b) Other related parties with whom transactions have taken place during the period:

MPIL Corporation Ltd.

(c) Other group companies :

Aasman Management Services Pvt. Ltd., Alfamont (Mauritius) Ltd., Camry International FZE, Dandvatl Investments & Trading Co Pvt. Ltd., GWL Properties Ltd., Harshit Finlease & Investments Private Ltd., Jerom Trading & Investment Private Ltd., Jumbo Electronics Company Ltd (LLC), Jumbo Electronics Corporation Pvt. Ltd., Jumbo Investments Ltd., Jumbo World Holdings (India) Ltd., Jumbo World Holdings Ltd., Firestorm Electronics Corporation Pvt. Ltd., Orson Video (P) Ltd., Phonegarage.com India Pvt. Ltd. Primo Enterprises Pvt. Ltd., SMN Engineers Ltd., Solvin International Ltd., Starfire Investments Limited, Wizer Advertising Pvt. Ltd.



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS

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

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

(d) Key Management Personnel**Mr. Ashok Kapur, Whole Time Director**

(Rs.'000)

Nature of transactions	Holding / Ultimate Holding Company	Key Management Personnel	Associate/ Group Companies	Total
Fee & Other payments	Nil	Nil	678	678
	(Nil)	(Nil)	(662)	(662)
Dividend paid	9074	Nil	Nil	9074
	(7562)	(Nil)	(Nil)	(7562)
Remuneration	Nil	2835	Nil	2835
	(Nil)	(2706)	(Nil)	(2706)
Outstanding as at year end	Nil	Nil	29	29
	(Nil)	(Nil)	(32)	(32)

Note: Figures in brackets represent the amount pertaining to previous year

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

	Year ended 31.3.2011	Year ended 31.3.2010
Profit available for equity shareholders (A)	Rs.947.23 Lacs	Rs.817.88 Lacs
Weighted average number of equity shares (B)	40,33,058	40,33,058
Nominal value of equity share	Rs 10	Rs 10
Earnings per share Basic / Diluted (A/B)	Rs. 23.49	Rs. 20.28



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS

12. The major components of deferred tax assets/ liabilities, based on the tax effect of the timing differences are as under :

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Deferred Tax Assets		
Expenses not allowed as per Income Tax Act	9,65,137	10,16,013
VRS to be allowed under IT Act in future years	57,935	6,84,438
Provision for doubtful debts	2,02,214	5,19,295
	12,25,286	22,19,746
Deferred Tax Liability		
Depreciation difference	3,43,57,546	3,57,18,300
Net Deferred Tax Liability	3,31,32,260	3,34,98,554

The net decrease in deferred tax liability of Rs.3,66,294 has been recognized during the year as deferred tax income.

13. The company has identified the Gelatine manufacturing division as its cash-generating unit (CGU) as required by Accounting Standard AS-28 "Impairment of Assets" issued by The Institute of Chartered Accountants of India. There are no primary indications that the recoverable amount of CGU is less than its carrying cost. Accordingly, no detailed exercise has been done to calculate the amount of impairment loss. During the year ended 31st March 2011, the company does not consider any item of fixed assets as obsolete and impaired and therefore there is no charge to Profit and Loss Account on account of the same (Previous Year Rs. 4.02 Lacs).

14. Capacity and Production

	Licensed Capacity		Installed Capacity**		Actual Production*	
	(Tonnes)		(Tonnes)		(Tonnes)	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
Gelatine	3000	3000	2400	2400	2479	2486
Ossein	5000	5000	4200	4200	857	794
Di-calcium Phosphate	12000	12000	10500	10500	10790	10335
Bone Meal	3600	3600	2500	2500	391	471

* Actual production is exclusive of production for captive consumption of other Bone Products and after adjustment for crushing losses etc. 1737 MT (2009-10 - 1817) and inclusive of purchase of Gelatine of 103 MT (2009-10 - 153).

** Installed Capacity is as certified by the Management and is based on continuous process in respect of Gelatine, Ossein and Dicalcium Phosphate and on single shift basis in case of Bone Mill.

**SCHEDULES TO ACCOUNTS**
SCHEDULE 17 - NOTES ON ACCOUNTS**15. Raw Materials Consumed**

	Year ended		Year ended	
	31st March, 2011		31st March, 2010	
	Quantity (Tonnes)	Value Rs. '000	Quantity (Tonnes)	Value Rs. '000
Raw Bones	1928	19941	2,080	16988
Crushed Bones	20,481	366340	19,237	281376
Hydrochloric Acid	24,510	48053	23,319	33280
Others		53161		59610
Total		4,87,495		3,91,254

16 Sales (Gross)

	Year ended		Year ended	
	31st March, 2011		31 st March, 2010	
	Quantity (Tonnes)	Value Rs. '000	Quantity (Tonnes)	Value Rs. '000
Gelatine	2,470	602073	2,716	575083
Ossein	883	80155	774	57301
Dicalcium Phosphate	10,783	277440	10,440	237504
Bone Meal	365	3401	489	3314
Others		1687		2093
Total		964756		875294

17. Finished Goods Stocks

	Stock as on		Stock as on		Stock as on	
	1st April, 2009		1st April, 2010		31st March, 2011	
	Quantity Tonnes	Value Rs. '000	Quantity Tonnes	Value Rs. '000	Quantity Tonnes	Value Rs. '000
Gelatine	336	44212	106	10365	115	16133
Ossein	23	1545	42	3215	16	1484
Di-calcium Phosphate	263	2720	158	1894	165	2328
Bone Meal	24	110	6	29	32	291
Others	336	27		0		0
Total		48614		15503		20236



SCHEDULES TO ACCOUNTS
SCHEDULE 17 - NOTES ON ACCOUNTS

18. Value of raw materials, stores, spare parts, components consumed:

	Year ended 31.3.2011		Year ended 31.3.2010	
	Rs.000	%	Rs.000	%
(a) Raw Materials				
Indigenous	481812	99.00	386997	98.90
Imported	5683	1.00	4257	1.10
	487495	100.00	391254	100.00
(b) Stores, spare parts and Components (Refer Note 3)				
Indigenous	12030	99.66	23181	100.00
Imported	41	0.34	Nil	0.00
	12071	100.00	23181	100.00

19.	Value of imports (C.I.F. basis)	– Raw Materials	5724	4257
20.	Expenditure in foreign currency	– Travelling – Others	63 3536	75 2145
21.	Earning in foreign exchange : Export of goods on F.O.B. basis		22807	45941

22. **Managerial Remuneration :**

Salary	1147	1147
HRA	574	574
Allowances (excluding leave encashment)	444	444
Company's contribution to Provident and Superannuation Funds	138	138
Leave Encashment	32	3
Total	2335	2306
Other Benefits	500	400

The above amount is exclusive of gratuity benefits which are provided on the basis of annual premium charged by the LIC on an overall basis, subject to the maximum amount as prescribed under Income Tax rules.

23. **Figures for the previous year have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous Year's figures.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Registration Details

Registration No.

	1	6	0	2	3
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 State Code

1	0
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Balance Sheet Date

3	1
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 Date

0	3
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 Month

2	0	1	1
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 Year

Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Rights Issue																		
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						N	I	L											
						N	I	L											
Bonus Issue	Private Placement																		
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						N	I	L											
						N	I	L											

Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousand)

Total Liabilities	Total Assets
604409	604409

Sources of Funds

Paid-up Capital	Reserves & Surplus
40338	524375
Secured Loans	Unsecured Loans
6564	NIL
Deferred Taxation	
33132	

Application of Funds

Net Fixed Assets	Investments
206149	65003
Net Current Assets	Misc. Expenditure
333257	NIL

Cont...2

**Balance Sheet Abstract and Company's General Business Profile (Contd.)**

IV. Performance of the Company (Amount in Rs. Thousand)

Net Turn over	909780	Total Expenditure	782046
Other Income	13032	Profit/(Loss) Before Tax	140766
Profit/(Loss) After Tax	94723	Earning per share in Rs.	23.49
Dividend on Preference Shares Rate %	NA	Dividend on Equity Shares Rate %	40%

V. Generic Names of Products / Services of the Company

Item Code No. (ITC Code)

3 5 0 3 0 0 2 0

Product Description

G E L A T I N E

Item Code No. (ITC Code)

2 3 0 2 . 0 0

Product Description

D I C A L C I U M
P H O S P H A T E

For and on behalf of the Board

Mahesh Verma
*Company Secretary**R.K. Raje*
*Director**A. Kapur*
Director

Jabalpur 30th May, 2011

ATTENDANCE

Narmada Gelatines Limited

Registered Office : Room No. 28, CARAVS' Building, 15, Civil Lines, Jabalpur 482 001 (M.R.)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE ENTRANCE OF THE MEETING HALL, Joint shareholder may obtain additional slip at the venue of the meeting

DP Id*

Master Folio No.

Client Id

NAME AND ADDRESS OF THE SHAREHOLDER

No of Share (s) held :

I hereby record my presence at the 50th ANNUAL GENERAL MEETING of the Company held on Monday the 19th Sept 2011 at 12:00 noon at Hotel Narmada Jackson, South Civil lines, Jabalpur

Signature of the Shareholder or Proxy

- Applied for investors holding shares in electronic form

Narmada Gelatines Limited

PROXY FORM

Registered Office : Room No. 28, 'CARAVS' Building, 15, Civil Lines, Jabalpur 482 001 (M.P.)

DP Id*

Master Folio No.

Client Id

I/We of
..... being a member / members of Narmada Gelatines Limited here by
appoint or failing him appoint of
..... as my / our proxy to vote for me / us and on my / our behalf at the 50th
ANNUAL GENERAL MEETING of the Company to be held on Monday, 19th September 2011 at 12: 00
noon at Hotel Narmada Jackson, South Civil lines, Jabalpur, or at any adjournment thereof.

Signed this day of 2011

- Applied for investors holding shares in electronic form

- Note:-
- 1 The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting. The Proxy need not be a member of the Company
 2. Members holding shares under more than one folio may use photocopy of this Proxy form for other folios. The Company shall provide additional forms on request.