

ANNUAL
REPORT
2001-2002



A MEMBER OF SHAW WALLACE GROUP



NARMADA GELATINES LTD.

FORMERLY SHAW WALLACE GELATINES LTD.

FORM 2B
(See Rules 4CCC and 5D)

NOMINATION FORM
(To be filled in by individual applying singly or jointly)
(if jointly, only upto two persons)

I/Weand.....

the holders of Shares/Debentures/Deposit Certificate/receipt bearing number (s).....of Narmada
Gelatin Limited, wish to make a nomination and do hereby nominate the following person in whom all right of transfer and/or
amount payable in respect of shares/debentures/deposits shall vest in the event of my/our death.

Name and Address of Nominee

Name.....

Address.....

Date of Birth*.....

(* to be furnished in case the nominee is a minor)

**The Nominee is a minor whose guardian is

.....

(**To be deleted if not applicable)

Signature :

Name :

Address :

Date :

Signature :

Name :

Address :

Date :

(P.T.O.)

Signature of two Witnesses

| Name and Address | Signature |
|------------------|-----------|
| 1. | |
| 2. | |

Instructions :

- 1. The Nomination may be made by individuals only applying/holding shares/debentures on their own behalf singly or jointly up to two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form.
- 2. A minor can be nominated by a holder of shares/debentures/deposits and in that event the name and address of the Guardian shall be given by the holder.
- 3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian may be a nominee on re-partiable basis.
- 4. Nomination stand rescinded upon transfer of share/debenture or repayment/ renewal of deposits made.
- 5. Transfer of share/debenture in favour of a nominee and repayment of amount of deposit to nominee shall be valid discharge by a company against the legal heir.



Narmada Gelatines Limited
(Formerly Shaw Wallace Gelatines)

Registered Office :4, Bankshall Street, Kolkata – 700 001

Forty first Annual General Meeting
Attendance Slip

Folio No.
Client ID No.
No. of Shares.....

I hereby accord my presence at the Forty first Annual General Meeting of the Company being held at St. Xavier's Auditorium, 30 Park Street, Kolkata on Thursday, the 26th September, 2002 at 12.00 noon.

Member's Signature

Notes :

- 1) A Member/ Proxy attending the meeting must complete this attendance slip and hand it over at the entrance.
- 2) Member intending to appoint a proxy, should complete the Proxy Form given below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of meeting.

Proxy's Signature

-----Tear Here-----
Narmada Gelatines Limited
(Formerly : Shaw Wallace Gelatines Limited)

Registered Office : 4, Bankshall Street, Kolkata – 700 001

Forty first Annual General Meeting
Proxy Form

Folio No.
Client ID No.
No. of Shares.....

I/ Wea member of Narmada Gelatines Limited, Limited, hereby appoint.....of.....or failing whom our behalf at the Forty First Annual General Meeting of the Company to be held on Thursday, the 26th day of the September, 2002 at 12.00 noon.

Signed thisday of2002

Affix Re. 1
Revenue
Stamp

Signature.....

NARMADA GELATINES LIMITED
(Formerly : SHAW WALLACE GELATINES LIMITED)

(An ISO 9000:2000 Company)

Board of Directors

G.C.Singha Roy
A.C.Mukherjee
B.K.Mazumder (Nominee of IIBI)
H.N.Nanani
T.S.Shettigar
P.M.Nene
S.P.Choudhary
A.K.Kapur
L.K.Gupta

Secretary & Compliance Officer

P.K.Arora

Auditors

Lovelock & Lewes
Kolkata

Registered Office

4, Bankshall Street
Kolkata - 700 001

Factory

Bheraghat Road
Jabalpur(M.P.)

Term Lending Institution

Industrial Investment Bank of India Ltd.

Bankers

Allahabad Bank
Canara Bank

Registrars and Share Transfer Agents

AXC Computers Private Limited
(Formerly: ABC Computers Private Ltd.)
C/o National Council of Education, Bengal
Jadavpur University Campus, 2nd & 3rd Floor
Jadavpur, Kolkata - 700 032

Depositories

National Securities Depositories Limited
Central Depositories (India) Limited

Listed with

The Calcutta Stock Exchange Association Limited
Delhi Stock Exchange Association Limited
The Stock Exchange, Mumbai
The Stock Exchange, Ahmedabad
Madhya Pradesh Stock Exchange Ltd.

NARMADA GELATINES LIMITED
(Formerly : SHAW WALLACE GELATINES LIMITED)

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Company will be held at St. Xavier's Auditorium, 30, Park Street, Kolkata on Thursday, the 26th day of September, 2002 at 12.00 noon to transact the following business :

A. ORDINARY BUSINESS

1. To approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at that date and the Report of Directors and Auditors thereon.
2. To appoint Director in place of Mr. G.C.Singha Roy who retires by rotation, being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. S.P.Choudhary who retires by rotation, being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. L.K.Gupta who retires by rotation, being eligible offers himself for re-appointment.
5. To pass the following Resolution

RESOLVED THAT M/s T.R.Chadha & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s Lovelock & Lewes, to hold office until the conclusion of next Annual General Meeting at a remuneration as may be mutually agreed upon between the said M/s T.R.Chadha & Company and the Board of Directors of the Company.

Note: The retiring Auditors M/s Lovelock & Lewes have shown their unwillingness to continue to act as auditors of the Company after the conclusion of this Annual General Meeting.

B. SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following Resolutions:

6. As a Special Resolution

RESOLVED THAT the existing clause 5 of the Memorandum of Association of the Company be and is hereby substituted by the following:

5. The authorised capital of the Company is Rs. 20,00,00,000/- divided into 1,00,00,000/-equity shares of Rs. 10/- each and 1,00,00,000/- redeemable preference shares of Rs. 10/- each with power to increase, divide, sub-divide into various clauses of shares and attach thereto such preferential/ deferred, special rights/privileges/ conditions as may be determined by the company in accordance with its regulations.

7. As a Special Resolution

RESOLVED THAT pursuant to section 31 and other applicable provisions of the Companies Act, 1956 the existing Article 4 of the Article of Association of the Company shall be deleted and be substituted by the following

4. (i) The Capital of the Company is Rs. 20,00,00,000/- divided into 1,00,00,000/-equity shares of Rs. 10/- each and 1,00,00,000/- redeemable preference shares of Rs. 10/- each.

(ii) The following provisions shall apply to the Cumulative Redeemable Preference Shares:

- 1) The aforesaid preference shares shall carry a fixed cumulative preferential dividend of 9% on the capital paid up thereon and the right in winding up to repayment of capital and arrears of dividend, declared or not, down to the commencement

NARMADA GELATINES LIMITED

(Formerly : SHAW WALLACE GELATINES LIMITED)

of winding up in priority to the Equity Shares in the capital of the Company, but not confer any further right to participate in profits or assets.

- 2) The preference shares shall be redeemed out of profits of the Company which may lawfully be applied for that purpose or out of the proceeds of a fresh issue of shares made for the purpose of redemption, the whole of the said Shares at par together with a sum equal to the arrears, if any, of the fixed dividend thereon down to the date of redemption thereof in five years in the following manner :

At the end of 3rd year – one third of the face value

At the end of fourth year – one third of the face value

At the end of fifth year – Balance of the face value together with accumulated interest

8. As an Ordinary Resolution

RESOLVED THAT in accordance with the provisions of Section 293 (1) (e) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby gives its consent to the Board of Directors of the Company to contribute on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will in any financial year exceed Rs.50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the said Act, during the three financial years immediately preceding subject to the maximum of Rs. 20,00,000/-."

9. As an Ordinary Resolution

"RESOLVED THAT Mr. H.N.Nanani who was appointed as an additional director under section 260 of the Companies Act, 1956 read with Article 104 of the Article of Association of the Company and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Article of Association of the Company."

Registered Office :

4, Bankshall Street
Kolkata- 700 001.

21st August, 2002

By Order of Board

P.K.Arora

Company Secretary

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NARMADA GELATINES LIMITED

(Formerly : SHAW WALLACE GELATINES LIMITED)

Notes :

- a) The Register of Members and the Share Transfer Register will remain closed from 15th September to 26th September, 2002(both days inclusive)
- b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy, however, need not be a member of the company. Proxies in order to be effective must be received at the registered office of the company not less than forty-eight hours before the meeting.
- c) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
- d) Members and proxy holders are- requested to bring their copies of Annual Report to the Meeting.
- e) Any Member desirous of obtaining any information on the Accounts of the Company, may please forward such queries in writing to the Secretary at the Registered Office, at least ten days prior to the Meeting.
- f) 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.
- g) Pursuant to the provisions of Section 205A of the Companies Act, 1956, (the Act), the unclaimed dividend for the year ended 31st March, 1997 will be transferred to the "Fund established under Section 205C" ("Fund") of the Act, after a period of seven years from the date of transfer of such dividend to the unclaimed/unpaid dividend account. No claim shall, therefore, lie against the Fund or the Company in respect of individual amounts, which shall remain unclaimed during such period.
- h) 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, a person to whom his/her shares in the Company shall vest in the event of his/her death. The prescribed Nomination Form No. 2B (vide Rules 4CCC and 5D of the Companies (Central Government's General Rules and Forms, 1956) is annexed hereto for the convenience of the Members. This may be sent to the Secretary at the Registered Office, duly completed.
- i) Members may furnish the name, address, Saving Bank/Current Account Number of the Banks wherein the dividend is intended to be credited, together with any change/correction of address and other details, in writing to the Secretary at the Registered Office, on or before 26th September, 2002.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to business mentioned under Item No. 6 to 9.

Item No. 6 & 7

The Shareholders at the Extra-Ordinary General meeting held on 17th July, 2002 passed the special resolution for reorganization of the capital of the company by conversion of small lot of equity shares into 9% cumulative preference shares of Rs. 10/- each. Therefore the Capital Clause is required to be amended to enable the Company to convert equity shares into redeemable preference shares.

Considering the aforesaid objectives, the Board of Directors recommends the Resolution set out in Item No. 6 in the convening the notice to the members for adoption.

None of the Directors of the Company is deemed to be concerned or interested in the passing of the resolution at Item No. 6 & 7.

Item No. 8

The Company is authorised by its Memorandum of Association to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees. By virtue of Section 293 (1) (e) of the Companies Act, 1956, however, the maximum amount which can be so contributed in any financial year is Rs.50,000 or 5% of the Company's average net profits as determined in accordance with Sections 349 and 350 of the Companies Act, 1956, during the three immediately preceding financial years, whichever is greater. Section 293 (1) (e) permits such contribution in excess of these limits if Shareholders approve. As such, your Board seeks sanction to make such contributions in a financial year up to a maximum of Rs. 20,00,000/-

The Board commends this resolution for approval by the Members.

None of the Directors of the Company is deemed to be concerned or interested in the passing of the resolution at Item No. 8.

Item No. 9

Mr. H.N.Nanani (Mr. Nanani) was appointed as an Additional Director with effect from 30th April, 2002 by the Board of Directors. Pursuant to Section 260 of the Companies Act, 1956, Mr. Nanani will hold office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Nanani for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr. Nanani is an Engineer and Management postgraduate having rich experience. Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Nanani is appointed as Director of the Company.

Your Directors, therefore, recommend the resolution for your approval.

Save and except Mr. Nanani none of the Directors are, in any way, concerned or interested in this resolution.

Registered Office :

4, Bankshall Street
Kolkata- 700 001.

21st August, 2002

By Order of Board

P.K.Arora
Company Secretary

NARMADA GELATINES LIMITED

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DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

At the outset, your Directors wish to convey their sincere condolences on the sad and unfortunate demise of Shri M.R. Chhabria, the Chairman of Shaw Wallace & Company Limited, the ultimate holding company. Your Directors have pleasure in presenting herewith their Report and the Statement of Accounts for the year ended 31st March, 2002.

| | | Year ended 31st March 2002 | | Year ended 31st March 2001 |
|--|----------|----------------------------------|----------|----------------------------------|
| | Rs. Lacs | Rs. Lacs | Rs. Lacs | Rs. Lacs |
| Profit before Tax | | 14.91 | | 38.38 |
| Provision for Taxation | | | | |
| Current | 13.91 | | 9.46 | |
| Deferred | (10.38) | 3.53 | Nil | 9.46 |
| Profit after Tax | | 11.38 | | 28.92 |
| Profit brought forward from Last year | | 551.99 | | 575.70 |
| Surplus available for appropriation | | 563.37 | | 604.62 |

Appropriations :

| | | |
|--|--------|--------|
| Recommended Dividend on equity Shares | Nil | 47.76 |
| Income Tax on proposed Dividend | Nil | 4.87 |
| Balance Carried to Balance Sheet | 563.37 | 551.99 |

Change of Name :

In respect of company's earlier decision at 39th Annual General Meeting, an application had been filed with Registrar of Companies, West Bengal for the change of name of the Company. Consequent to the fresh Certificate of Incorporation received from Registrar of Companies, the name of the Company has been changed from Shaw Wallace Gelatines Limited to Narmada Gelatines Limited with effect from 04.01.2002.

Industry Structure and Developments :

Gelatine industry in India is characterised by the manufacturers supplying to a limited number of bulk industrial customers, thereby creating a situation where supply outstrips demand. Around 86% of use of gelatine is in the pharmaceutical industry and edible use comes a very distant second. In the first world, however, the scenario is different where use of gelatine is predominantly for edible purposes.

Opportunities and Threats :

Outbreak of BSE scare in Europe a few years ago had inflicted a severe jolt on gelatine industry worldwide. The Indian industry had suffered more hardships than its European counterparts because of the blanket ban on entry of Indian gelatine in the European countries. However, India having being assessed by EU Commission in level II as regards GBR (Geographical BSE Risks), the prospects seem to have improved a little. With the manufacturing process of its factory at Jabalpur being registered with CAPEXIL and it having obtained Certificate of Suitability of its gelatine from European Directorate for Quality of Medicine, the day may not be far when door to the European market will be reopened to your Company.