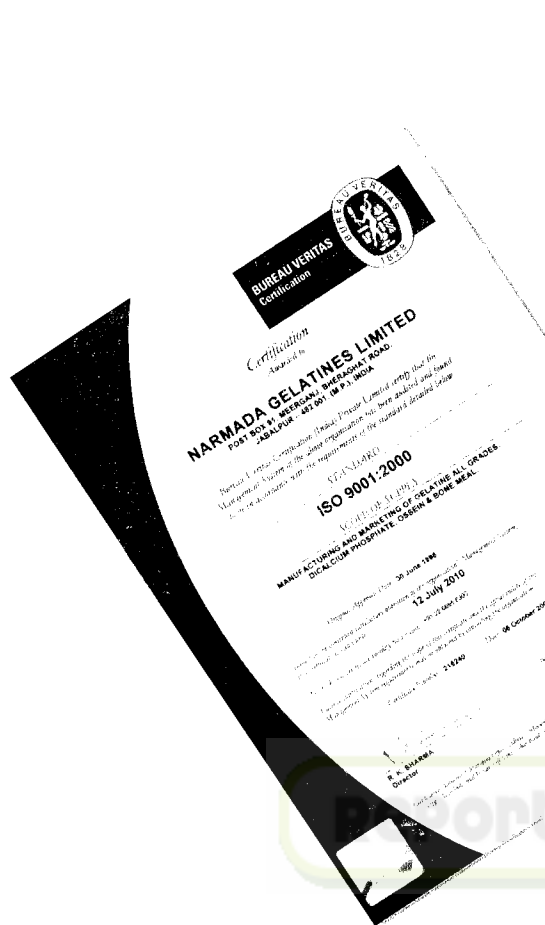


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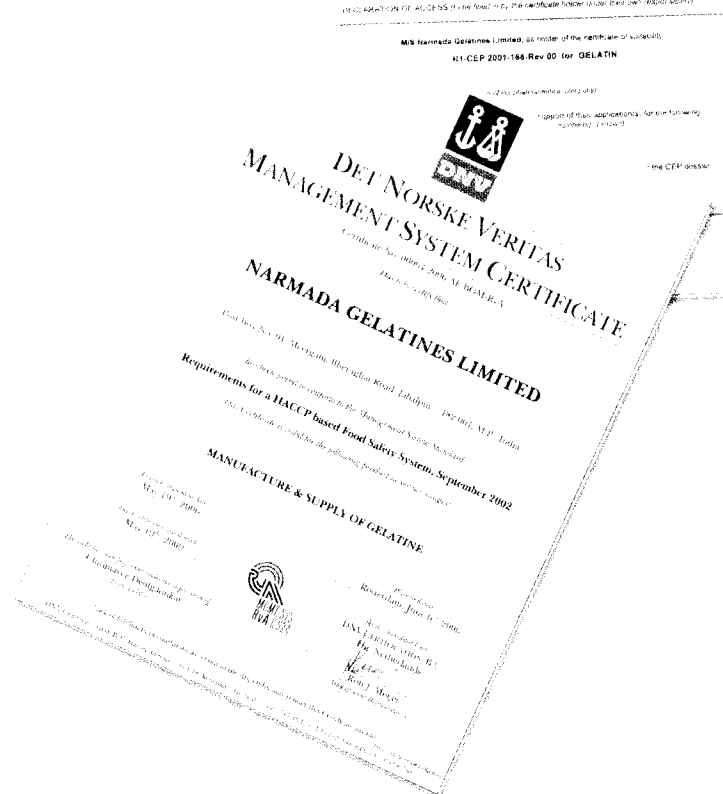


NARMADA GELATINES LIMITED



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NARMADA GELATINES LIMITED



(An ISO 9001:2000 Company)

COMPANY INFORMATION

Board of Directors

Vidya M. Chhabria
 Kiran M. Chhabria
 Justice Gulab Gupta
 Deepak Chaudhuri
 Mohan Chandra Pant
 Ravindra K. Raje
 Ashok K. Kapur (Whole Time Director)

Company Secretary & Compliance Officer

Mahesh Verma

Auditors

T.R. Chadha & Co.
 Mumbai

Registered Office

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

Factory

Bheraghat Road
 Jabalpur (M.P.)

Bankers

Allahabad Bank
 Canara Bank
 IDBI Bank
 ICICI Bank Ltd.
 State Bank of India
 HDFC Bank Ltd.

Registrars and Share Transfer Agents

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

Depositories

National Securities Depository Limited
 Central Depository Services (India) Limited

Listed with

Bombay Stock Exchange Ltd.
 Madhya Pradesh Stock Exchange Ltd.
 The Calcutta Stock Exchange Association Limited

NARMADA GELATINES LIMITED



NOTICE

Notice is hereby given that the Forty Seventh Annual General Meeting of the Members of Narmada Gelatines Limited will be held on Friday, September 19th, 2008 at 12:30 p.m., at Hotel Narmada Jacksons, South Civil Lines, Jabalpur 482001, to transact the following businesses:

ORDINARY BUSINESS

1. To approve and adopt the Audited Profit & Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date and the Report of Directors' and Auditors' thereon.
2. To declare dividend on 9% Cumulative Redeemable Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint Director in place of Ms. Kiran M. Chhabria who retires by rotation and being eligible offers herself for re-appointment.
5. To appoint Director in place of Mr. M.C. Pant who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

Mahesh Verma
Company Secretary

Place : Jabalpur
Date : 27th May, 2008

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 11th September to 19th September 2008 (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 9% Cumulative Preference Shares and Equity Shares as recommended by the Directors for the financial year ended 31st March, 2008 when declared at the 47th Annual General meeting will be paid on or after 19th September, 2008 to those members whose names appear on the Company's Register of members as on 19th September, 2008 (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 Meeting.
- j) In terms of Article 155 of the Articles of Association of the Company, Ms. Kiran M. Chhabria and Mr. M. C. Pant, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships

NARMADA GELATINES LIMITED



and memberships / chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends their respective re-appointments.

- 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, 2000 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 for the year ended 31st March, 2000 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) Non-Resident Indian members are requested to inform the company's Registrar and transfer agents M/s CB Management Services Pvt. Ltd immediately of :
 - (a) change in the residential status on return to India for permanent settlement and
 - (b) 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.

By Order of the Board of Directors

Mahesh Verma
Company Secretary

Place : Jabalpur
Date : 27th May, 2008

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



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 17th Annual Report and the audited accounts of the Company for the year ended March 31, 2008.

	Rs. Lacs	
	Year ended 31st March, 2008	Year ended 31st March, 2007
Profit before Tax	682.36	414.00
Provision for Taxation:		
Current	230.10	157.14
Earlier Year Tax	Nil	4.52
Deferred Tax	15.01	12.01
Fringe Benefit Tax	2.78	2.38
	247.89	176.05
Profit after Tax	434.47	237.95
Balance brought forward from last year	995.75	852.88
Amount available for appropriation	1430.22	1090.83
Transfer to General Reserves	32.59	120.40
Proposed Dividends on Preference Shares	6.03	10.49
Proposed Dividend on Equity Shares	80.66	60.49
Tax on proposed dividends	14.73	12.06
Balance carried forward	1296.21	995.75

Operations

The Company's gross turnover for the year under review increased to Rs.6252 lacs from Rs. 5835 lacs in the previous year. Profit after tax increased to Rs. 434.47 lacs from Rs. 237.95 lacs.

The Company embarked on an expansion plan to increase the gelatine production capacity. Higher production in the last quarter of the financial year under review resulted in increased volumes and improvement in profitability.

Part Redemption of 9% Cumulative Preference Shares

Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Calcutta on 6th May, 2003, 1/3rd of the face value of 9% Cumulative Redeemable Preference Shares, amounting to Rs. 49.54 Lacs, were redeemed on 7th August 2007. The balance 1/3rd of the face value is redeemable on 7th August 2008.

NARMADA GELATINES LIMITED



Dividends

The Directors recommend dividend on pro-rata basis on the outstanding 9% Cumulative Redeemable Preference shares @ 9% per share. The total outflow on account of dividend and dividend distribution tax on the preference shares will be Rs. 7.06 lacs.

Your Directors also recommend a dividend of 20% on Equity Shares of Rs. 10/- each for the financial year ended 31st March, 2008, which, 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, 2008 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). The total outflow on account of dividend and dividend distribution tax on equity shares will be Rs. 94.37 Lacs.

Industry Structure and Developments

Gelatine industry in India is characterised by the manufacturers supplying to a limited number of bulk industrial customers. Around 85% of use of gelatine in the country is in the pharmaceutical industry followed by gelatine for edible use.

Your plant has been accredited by CAPEXIL which will enable the company to export to European Union Countries.

During the year, your Company expanded the capacity of gelatine production from 2100 MTs to 2400 MTs per annum. This expansion is expected to provide the Company significant growth opportunities and help sustain the company's position in the Gelatine industry by reducing production cost per unit and increasing the business volumes in the future.

Opportunities and Threats

India has been graded in the "Undetermined BSE Risk" status, which is a cause of concern to the industry. The Government bodies and the industry are making efforts to satisfy the concerned authorities in OIE Paris [Office International des Epizooties] for proper gradation of India as it is a BSE-free Country.

The level of awareness about environmental hazards has increased among the general public and the state authorities are introducing stricter pollution control norms. The industry is now required to address the issue of environment with more commitment. Your company has taken necessary steps to meet this challenge effectively.

Performance

The capacity utilisation of gelatine production by your Company was 94% against the industry average of around 84%.

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.

Risks and Concerns

Since gelatine is intended for human consumption, checks and controls of the supply chain of basic



NARMADA GELATINES LIMITED

raw materials are stringent. This is restricting availability of suitable raw materials and the situation is likely to continue in future also.

Segment-wise or product-wise performance

The company is engaged in the business of manufacture and sale of gelatine, ossein and DCP 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

Your Company believes in transparency in systems and controls. The Company has a robust system of internal control comprising authority levels and powers, supervision, checks and balances, policies, procedures and internal audit. The system is reviewed and updated on an ongoing basis. The Group Internal Audit team continues to support the internal audit function.

The Audit Committee and the Management have reviewed the recommendations of Internal Auditors and suitable steps have been taken to implement their recommendations.

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.

Fixed Deposits

The Company has not accepted any fixed deposit during the year under review.

Subsidiary Company

The Company does not have any subsidiary company.

Directors

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Ms. Kiran M. Chhabria and Mr. M.C. Pant, Directors retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

Your Board of Directors recommends their re-election.

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

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas and names of companies in which they 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.



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 2008, 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, 2008 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 letters 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 reappointment 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.

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