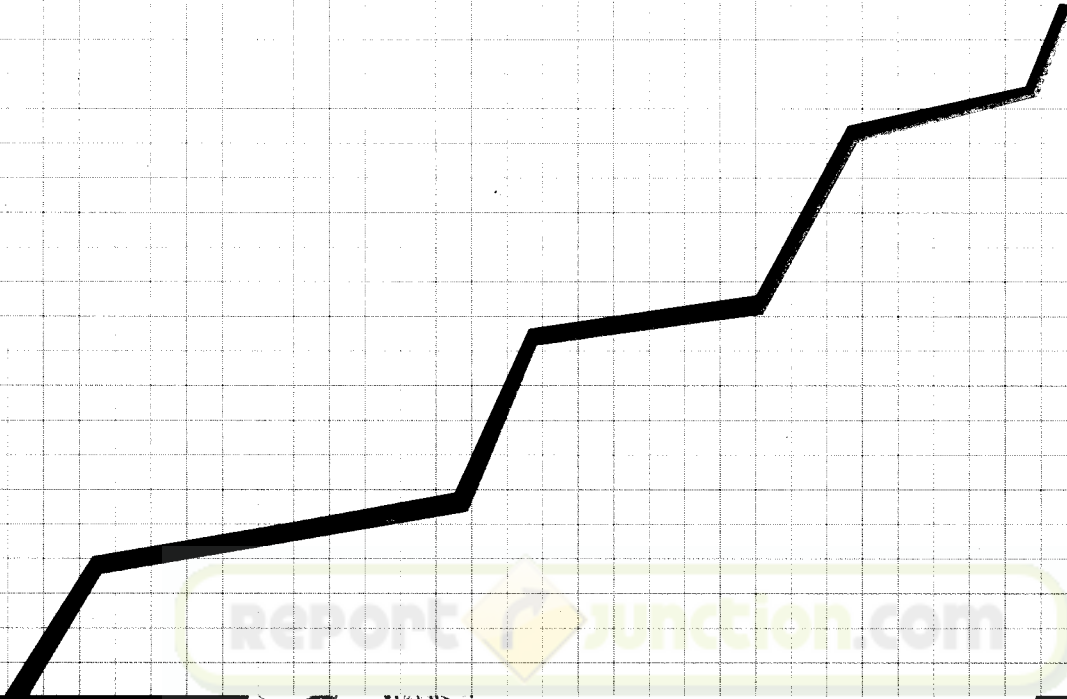




Annual Report



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NARMADA GELATINES LIMITED



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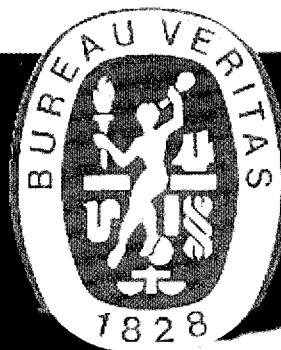
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NARMADA GELATINES LIMITED

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Company Information

Board of Directors

Kiran M. Chhabria
Sanjeev Jain
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

Meergunj, Bheraghat Road
Jabalpur (M.P.)

Bankers

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

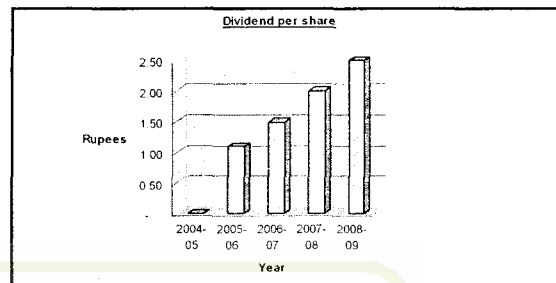
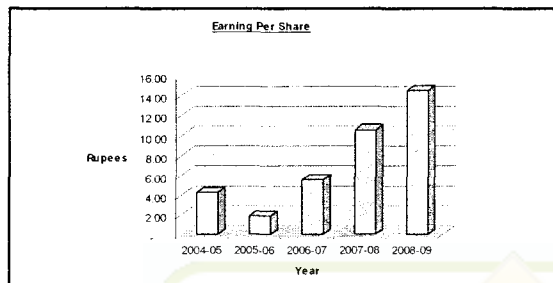
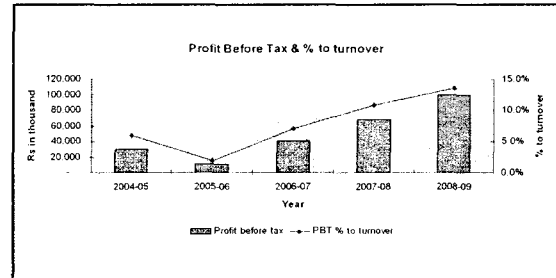
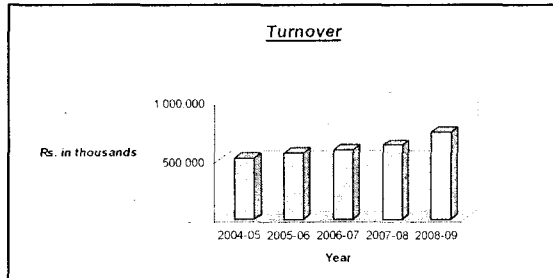
Bombay Stock Exchange Ltd.
Madhya Pradesh Stock Exchange Ltd.



NARMADA GELATINES LIMITED

Company's performance and financial trend

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



Amount (Rs.'000)

	2004-05	2005-06	2006-07	2007-08	2008-09
Financial Performance					
Turnover	510,094	557,823	583,495	625,242	733,986
Profit before tax	30,680	10,724	41,400	68,236	99,201
PBT % to turnover	6.0%	1.9%	7.1%	10.9%	13.5%
Profit after tax	18,735	9,295	23,795	43,447	58,562
Basic and Diluted Earnings per Share (Rs.)	4.27	1.93	5.60	10.60	14.47
Dividend per equity share (Rs.)	-	1.10	1.50	2.00	2.50
Financial Position					
Fixed Assets (Net Block)	169,587	147,895	135,672	165,001	201,902
Capital Expenditure (WIP)	-	1,370	10,183	32,819	12,225
Investments	77,500	3	3	3	3
Cash and Bank Balances	7,091	85,945	93,900	86,899	89,654
Net Current Assets	171,464	227,368	242,585	229,037	269,171
Total Assets	418,551	376,636	388,443	426,860	483,301
Shareholder's Fund	355,788	353,826	361,669	386,515	424,984



NARMADA GELATINES LIMITED

Notice of the Annual General Meeting

Notice is hereby given that the Forty Eighth Annual General Meeting of the Members of Narmada Gelatines Limited will be held on Tuesday, September 8th, 2009 at 12:30 p.m., at Hotel Narmada Jacksons, South Civil Lines, Jabalpur 482001, to transact the following businesses:

A. ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date and the Report of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares
3. To re-appoint Mr. Gulab Gupta as a Director who retires by rotation and being eligible offers himself for re-appointment
4. To re-appoint Mr. R. K. Raje as a Director who retires by rotation and being eligible offers himself for re-appointment
5. To re-appoint auditors and in this connection, to pass with or without modifications 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, plus service tax, out-of-pocket, travelling and living expenses, etc.

B. SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 as amended or re-enacted from time to time, read with Schedule XIII to the said Act, consent of the Company be and is hereby accorded to the re-appointment of Mr. Ashok K. Kapur as the Whole Time Director and the payment of remuneration and perquisites as approved by the Remuneration Committee of the Company for a period of 1 (one) year with effect from 1st June, 2009 on the terms and conditions as set out in the draft Agreement submitted to the meeting, with authority to the Board of Directors of the Company to alter, modify, or vary the terms & conditions of the said appointment and/ or agreement.

RESOLVED FURTHER THAT the Remuneration Committee of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said Explanatory Statement, to the extent the Committee may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Ashok K. Kapur shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification or statutory re-enactment thereof and / or any Rules or Regulations framed there under and that the terms of the aforesaid appointment shall be suitably modified to give effect to such variation or increase as the case may be.



NARMADA GELATINES LIMITED

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT Mr. Sanjeev Jain who was appointed as an Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to section 260 of the Companies Act, 1956 read with Article 104 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board of Directors
For Narmada Gelatines Limited

Mahesh Verma
Company Secretary

Place : Jabalpur
Date : 26th May, 2009

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





NARMADA GELATINES LIMITED

Notes :

- a) The Register of Members and the Share Transfer Register will remain closed from 27th August to 8th September 2009 (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 Directors for the financial year ended 31st March, 2009 when declared at the 48th Annual General meeting will be paid on or after 8th September, 2009 to those members whose names appear on the Company's Register of members as on 8th September, 2009 (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) 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 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.



NARMADA GELATINES LIMITED

- 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, 2002 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, 2001 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.

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

As required under Section 173(2) of the Companies Act, 1956, the Explanatory Statement set out all material facts relating to business mentioned under Item No. 6 and 7:

Item No. 6

The Board of Directors at its meeting held on 26th May, 2009 re-appointed Mr. Ashok K. Kapur as a Whole-Time Director with effect from 1st June, 2009 for a period of 1 year subject to approval of the Members at the General Meeting of the Company. He will be paid remuneration as may be fixed by the Board, from time to time, within the authority given by the members vide the resolution passed in the Annual General Meeting held on September 8th, 2009.

Mr Ashok K Kapur is a Mechanical Engineer having 39 years of experience in Gelatine industry. He has contributed immensely to the growth of the Company and his vast and rich experience in Gelatine Industry will be beneficial to the company. He has been the Chairman of Ossein & Gelatine Manufactures' Association of India and a Director of Gelatine Manufacturers Association of Asia Pacific and the Chairman of Ossein and Gelatine Panel of CAPEXIL. He is overall in-charge of the Company embracing the whole gamut of operations.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on 26th May, 2009, approved the terms and conditions of the above appointment, with authority to the Board of Directors of the Company to alter, modify, or vary the terms & conditions of the said appointment and/ or agreement with Whole-Time Director within the maximum remuneration payable in accordance with Schedule XIII of the Companies Act, 1956 as amended and any other statutory modifications thereto and/or any guidelines relating to managerial remuneration as may be notified by Central Government from time to time, and as may be agreed to by Board of Directors and Mr. A.K.Kapur, Whole Time Director, subject to approval of the shareholders in a General Meeting.



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Accordingly, item No. 6 is proposed for approval of the members for re-appointment of Mr Ashok K Kapur, as a Whole Time Director as contemplated by Part III of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any.

The draft Agreement proposed to be entered into by the Company with Mr Ashok K Kapur, in respect of his re-appointment as Whole Time Director, would contain terms and conditions of his re-appointment including remuneration, details of which are as follows:

Remuneration Payable per month w.e.f 01.06.2009	
	Rs.
Basic Pay	95,638.00
HRA/Company Accommodation	47,819.00
Conveyance Allowance	800.00
Medical Reimbursement	12,000.00
Special Allowance	20,000.00
Leave Travel Allowance	4,200.00
Total	180,457.00
Retiral Benefits:	
Company's Cont. to Provident Fund	12% of Basic Pay
Gratuity	As per IT Act

Others benefits:

- Free telephone facility at residence, provided the personal calls shall be billed by the company.
- Leave and Leave encashment as per the rules of the Company.
- Performance bonus for the year 2008-09 Rs. 4,00,000/-.

The draft Agreement proposed to be entered into with Mr Ashok K Kapur will be open for inspection by members at the Registered Office of the Company on all working days between 10:00 a.m. and 3:00 p.m. up to the date of the Annual General Meeting.

Except Mr. A.K.Kapur none of the Directors is concerned or interested in the resolution.

This explanation together with the accompanying Notice is and should be treated as an abstract of the terms of re-appointment of Mr. A.K.Kapur, as the Whole-Time Director of the Company pursuant to Section 302 of the Companies Act, 1956.

Your Directors, therefore, recommend the resolution set forth in Item No. 6 for your approval.

Item No. 7

Mr. Sanjeev Jain (Mr. Jain) was appointed as an Additional Director with effect from 29th January, 2009 by the Board of Directors. Pursuant to Section 260 of the Companies Act, 1956, read with Articles 104 of the Articles of Association of the Company. Mr. Jain holds office up to the date of Annual General Meeting. The Company has received a notice in writing along with the deposit of Rs. 500/- from a member proposing the candidature of Mr. Jain for the office of Director under the provisions of Section 257 of the Companies Act, 1956.