



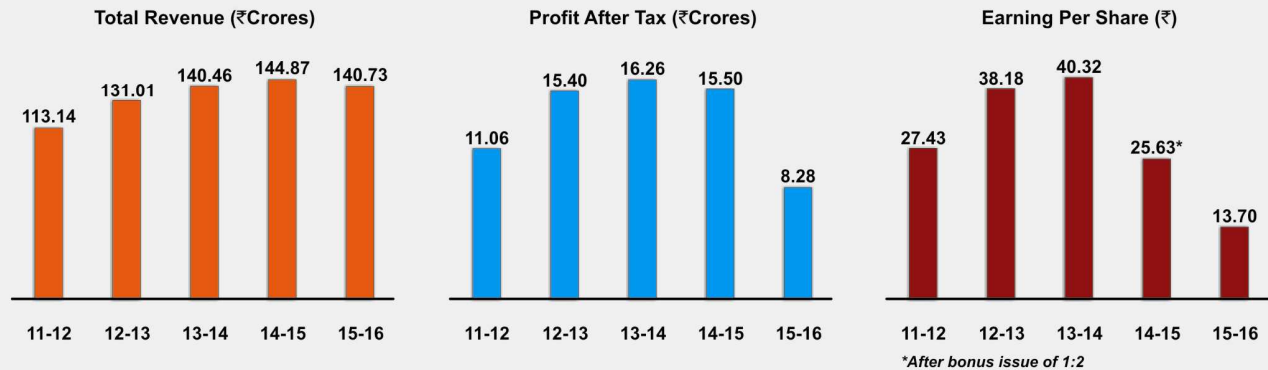
## **ANNUAL REPORT 2015-2016**



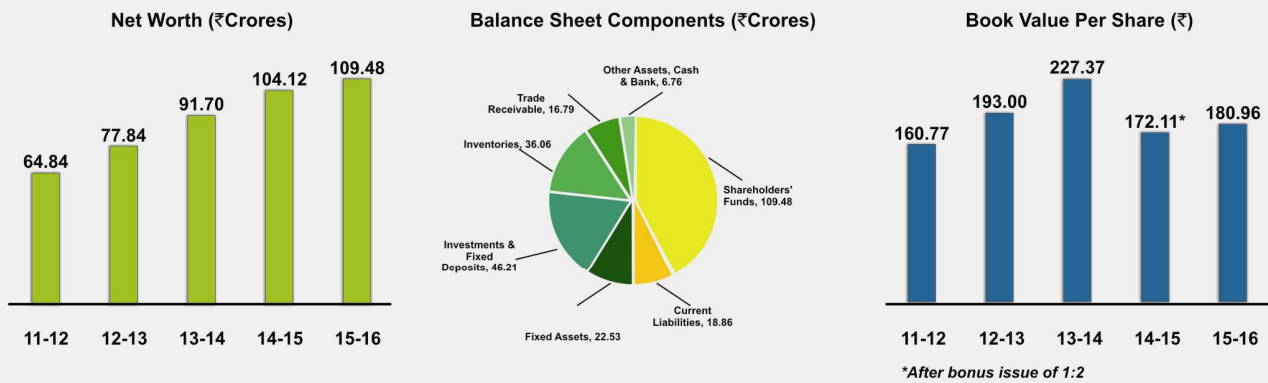
**Narmada Gelatines Limited**

# KEY PERFORMANCE INDICATORS

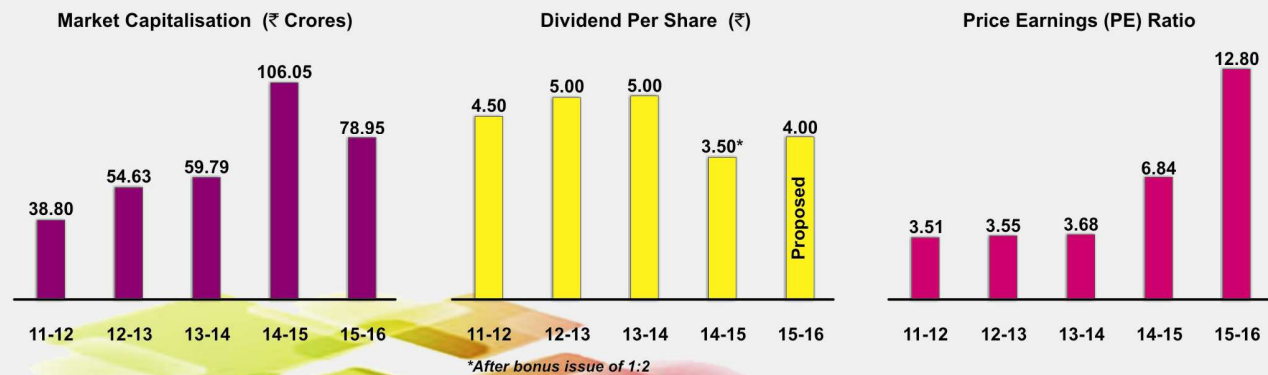
## PROFIT AND LOSS METRICS



## BALANCE SHEET METRICS



## SHAREHOLDER METRICS



## COMPANY INFORMATION

### BOARD OF DIRECTORS

Justice Gulab Gupta  
Mr. Deepak Chaudhuri  
Mr. Mohan Chandra Pant  
Mr. Sanjeev Jain  
Mr. Ravindra K. Rajee  
Mrs. Drushti R. Desai  
Mr. Ashok K. Kapur – Whole Time Director

### BOARD COMMITTEES

#### Audit Committee

Justice Gulab Gupta - Chairman  
Mr. Deepak Chaudhuri  
Mr. Mohan Chandra Pant  
Mrs. Drushti R. Desai

#### Nomination & Remuneration Committee

Mr. Deepak Chaudhuri - Chairman  
Justice Gulab Gupta  
Mr. Sanjeev Jain

#### Stakeholders' Relationship Committee

Mr. Mohan Chandra Pant - Chairman  
Mr. Ravindra K. Rajee  
Mr. Ashok K. Kapur

#### Corporate Social Responsibility Committee

Mr. Mohan Chandra Pant - Chairman  
Mr. Sanjeev Jain  
Mr. Ashok K. Kapur

#### Risk Management Committee

Mr. Ravindra K. Rajee  
Mr. Ashok K. Kapur  
Mr. Sudhir Srivastava, Factory Manager  
Mr. S. Bhattacharya, Head - Purchase

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Mahesh Verma

### CHIEF FINANCIAL OFFICER

Ms. Priya Gupta

### STATUTORY AUDITORS

T.R. Chadha & Co. LLP, Mumbai

### SECRETARIAL AUDITORS

Dr. Asim Kumar Chattopadhyay

### BANKERS

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

### REGISTERED OFFICE

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

### FACTORY

Meerganj, Bheraghat Road  
Jabalpur (M.P.)

### REGISTRARS & TRANSFER AGENT

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

### LISTED WITH

Bombay Stock Exchange Ltd.

### DEPOSITORIES

National Securities Depository Limited  
Central Depository Services (I) Limited

**WEBSITE :** [www.narmadagelatines.com](http://www.narmadagelatines.com)

**CIN :** L24111MP1961PLC016023

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## BOARD'S REPORT

The Directors have pleasure in presenting the 55<sup>th</sup> Annual Report of your Company and the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2016.

### Financial Highlights

	₹ lacs	
	Year ended 31st March 2016	Year ended 31st March 2015
Profit before Tax	1298.35	2340.40
Provision for Taxation:		
Current	460.61	767.65
Deferred	9.04	22.28
Profit after Tax	828.70	1550.47
Balance brought forward from last year	7244.34	6130.80
Amount available for appropriation	8073.05	7681.27
Less: Appropriations		
Adjustment to Fixed Assets	-	27.82
Transfer to General Reserve	82.87	155.04
Proposed Dividend on Equity Shares	241.98	211.74
Tax on proposed dividends	49.26	42.33
Balance carried forward	7698.94	7244.34

### Economy Overview

Indian economic growth in 2015 rose to 7.2% - up from 5.2% in the previous year as a result of the improved macro-economic situation. The growth in agriculture, industry and services is estimated at 1.1 per cent, 7.3 per cent and 9.2 per cent in 2015-16 as opposed to (-) 0.2 per cent, 5.9 per cent and 10.3 per cent respectively in 2014-15.

The financial year 2015-16 continued to experience moderation in general price levels. The significant decline in the price of the Indian basket of crude oil, through the direct and second round effects, partly contributed to the decline in general inflation for the second successive year. The decline in core inflation was largely on account of the decline in the inflation in housing (rent), transport, communication, education and other services.

### Operating Performance

During the year under review, your company recorded a turnover of ₹ 140.73 crs as compared to ₹ 144.86 crs in the previous year. The decline in turnover was primarily due to lower price realisation on gelatin products. Profit before tax declined to ₹ 12.98 crores as compared to ₹ 23.40 crores in 2014-15 on account of lower price realisation and increase in raw material input cost.

### Dividends

Your Directors recommend a dividend of ₹ 4.00 per Equity Share (last year ₹ 3.50 per Equity Share) for the financial year ended March 31, 2016. The total outflow on account of the proposed dividend including dividend distribution tax will be ₹ 291.24 lacs, (previous year ₹ 254.07 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 16<sup>th</sup> September, 2016 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 ₹ 82.87 lacs (being 10% of the net profits for the year) to the General Reserve.

### Industry Structure and Developments

Gelatin finds use in industries such as food and beverages, pharmaceutical and cosmetics. However, cultural and religious barriers in India and scepticism on the use of gelatin derived from animals across the world are factors which inhibit the overall market growth. Growing regulatory issues, primarily in the food industry, are also challenges for gelatin manufacturers.

### Opportunities and Threats, Outlook, Risks and Concerns

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

Difficulty in sourcing good quality raw material and rise in raw material prices are areas of concern. The import of poor quality gelatin into India is a matter of health concern and affects proper price realisation for the gelatin produced by the domestic manufacturers. Furthermore, availability of cheap raw material in EU, USA, etc has pushed down the gelatine prices globally, which has affected the pricing in the domestic market. Large quantities of gelatin are being imported into India at prices lower than the domestic prices, which is a major concern for the industry.

While your company is taking all actions to improve product mix, yield and productivity along with cost reduction measures, the shortage of raw material due to lower meat exports is resulting in an unprecedented increase in price of raw materials. Furthermore, the drop in oil prices have affected the exports of capsules to the African countries and Russia. Cheaper imports, lower demand in the domestic market and higher raw material prices are likely to impact margins and have an adverse impact on the performance of your company, at least in the short term.

### Segment-wise or product-wise performance

Gelatin, ossein and the by-product di-calcium phosphate broadly form part of one product group and hence are considered as single business segment. However, based on geographical spread, reportable segments have been identified as exports sales and domestic sales. The segment revenue information is given separately in Notes on Accounts under the disclosure as required under Accounting Standard (AS 17) - Segment Reporting and forms part of the Directors' Report.

### Internal financial control and its adequacy

The Company's internal control system covers supervision, checks and balances, policies, procedures and internal audit





with the purpose to ensure that company assets are safeguarded and protected and that transactions are authorised, recorded and reported correctly. The system is reviewed and updated on an ongoing basis.

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

The Internal Auditor independently evaluates the adequacy of internal controls and concurrently audits the majority of the transactions in value terms. Independence of audit and compliance is ensured by direct reporting of Internal Auditor to the Audit Committee. Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

#### Fixed Deposits

During the year under review, the Company did not accept any fixed deposits from the public, as defined under Chapter V of the Companies Act, 2013, and no amount on account of principal and interest on deposits from public was outstanding as on 31<sup>st</sup> March, 2016. The Company has no deposits which are not in compliance with the provisions of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

#### Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### Corporate Social Responsibility (CSR)

The Company recognises the need and importance of a focused and inclusive social and economic development, especially of the industry and community in which it operates. Corporate Social Responsibility (CSR) Committee recommends to the Board the activities to be undertaken by the Company for approval. As part of the initiatives, the Company has undertaken CSR projects in the areas of environment, education, livelihood, health, water, sanitation and rural development. During the year 2015-16, the Company spent ₹46.06 lacs on CSR activities. The Annual Report on CSR activities and a brief outline of the CSR Policy of the Company is annexed to this Report as Annexure - I.

#### Risk Management

The Company has in place a Risk Management framework to identify, evaluate business risks and opportunities and seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The Risk Management Committee is entrusted with the responsibility to assist the Board in overseeing the risks associated with the business and risk mitigating measures to be taken by the Company. The details of the Risk Management Committee, its terms of reference, key business risks identified and mitigation plans are set out in the Corporate Governance Report.

#### Vigil Mechanism

The Company has in place a Whistle Blower Policy to deal with instances of fraud and mismanagement, the details of which

are explained in the Corporate Governance Report and also posted on the website of the Company.

#### Subsidiaries, Joint Ventures and Associate Companies

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

#### Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, and Article 115 of the Articles of Association of the Company, Mr. Ravindra K Raje retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment.

The independent Directors viz. Justice Gulab Gupta, Mr. M.C. Pant and Mr. Deepak Chaudhuri, were appointed for a period of two years and their terms comes to an end on the conclusion of the 55th Annual General Meeting. Justice Gulab Gupta, Mr. M.C. Pant and Mr. Deepak Chaudhuri have given their consent for their appointment as Independent Directors of the Company. The Company has received notices alongwith the requisite deposits from members of the Company proposing the candidature of Justice Gulab Gupta, Mr. M.C. Pant and Mr. Deepak Chaudhuri. The Board of Directors recommends the appointment of Justice Gulab Gupta, Mr. M.C. Pant and Mr. Deepak Chaudhuri as Independent Directors for a term of five years. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Ashok K Kapur was re-appointed as a Wholetime Director of the Company with effect from 1st June, 2016 for a period of three years, subject to approval of shareholders by Special Resolution at the general meeting of the Company.

All the appointments of the Directors of the Company are in compliance with the provisions of Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

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 Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the section on Corporate Governance in this Annual Report.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and



other Committees. In addition, the Board has also carried out a review of the Board's performance as a whole. The manner in which the evaluation has been carried out is covered in the Corporate Governance Report. The Board of Directors noted the evaluation results as collated by the Nomination and Remuneration Committee.

#### **Policy on Directors' Appointment and Remuneration**

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

The policy of the Company on directors' appointment and remuneration, etc. as required under Section 178 of the Companies Act, 2013, is available on the Company's website ([www.narmadagelatines.com](http://www.narmadagelatines.com)) and in the Corporate Governance Report. There has been no change in the policy since the last financial year. The remuneration paid to the directors is as per the terms laid down in the Nomination & Remuneration Policy of the Company.

#### **Meetings**

During the year four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013.

#### **Directors' Responsibility Statement**

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, the Directors hereby confirm that:

- a. in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual financial statements have been prepared on a going concern basis;
- e. proper internal financial controls have been followed and that such financial controls are adequate and are operating effectively.
- f. proper systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

#### **Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other

designated persons which may have a potential conflict with the interest of the Company at large.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 are set out in the Note 30(e) of Notes to Financial Statements forming part of the Annual Report.

None of the Directors has any pecuniary relationships or transactions with the Company or vice versa.

#### **Statutory Auditors and Audit Report**

M/s T.R. Chadha & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the said Act.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and the Auditors Report do not contain any qualifications, reservations or adverse remarks.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is annexed to this Report as Annexure - II.

#### **Transfer of Unpaid and Unclaimed amounts to IEPF**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, 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 125, of the said Act. During the financial year 2015-16, the Company has transferred to the Investor Education and Protection Fund, unclaimed dividends as detailed in the Corporate Governance Report.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 17<sup>th</sup> September, 2015 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs.

#### **Significant and Material Order passed by the Regulators**

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

#### **Corporate Governance Report**

The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Whole-



time Director's declaration regarding compliance with the Company's Code of Business Conduct and Ethics for Directors and Management Personnel forms part of the Corporate Governance Report. As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on Corporate Governance for the year ended 31<sup>st</sup> March, 2016 issued by T.R. Chadha & Co, LLP, 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 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure - III.

#### **Extract of Annual Return**

In accordance with the Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form MGT-9 is annexed to this Report as Annexure - IV.

#### **Particulars of Employees**

None of the employees of the Company is in receipt of remuneration exceeding the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details in respect of directors and employees of the Company as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure - V.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place a suitable policy in line with the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. An Internal Complaints Committee is in place to redress complaints received regarding sexual harassment. No complaint was received by the Company during the financial year ended 31<sup>st</sup> March, 2016.

#### **Human Resources / Industrial Relations**

The Company's human resources agenda continues to remain focused on the development of its employees, building capabilities in the organization and progressive employee relations policies.

The Company has over 500 employees. Industrial relations remained cordial throughout the year. Your Directors place on record their sincere appreciation of the significant contributions made and the continued support extended by all employees at all levels to the Company's operations during the year.

#### **Acknowledgement**

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

For and on behalf of the Board

**Ravindra K Raje**  
Director

**Ashok K Kapur**  
Whole-time Director

Place: Jabalpur  
Date: 26<sup>th</sup> May, 2016



## Annexure - I to Board's Report

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

The Company believes in actively contributing to the social and economic development of the communities in which it operates and in doing so, build a better, sustainable way of life for the weaker sections of the society and raise the country's human development index. Social welfare and community development is therefore at the core of the Company's Corporate Social Responsibility philosophy and this continues to be a priority.

During the year under review, the Company's contributions to the community were in the areas of health, education, infrastructure development and contributions to other social development organisations. The Company also supported and partnered with several NGOs in community development and health initiatives. Some of the social activities carried out by the Company were as under:

**Environment**

The Company carried out plantation of trees, maintenance of green belts and gardens in and around the manufacturing unit. Mangrove plantation in the factory premises and surrounding areas, vermi-compost of waste and its use as manure, recycling of treated water in cooling water system and in horticulture activities, etc. are regular activities undertaken by the Company.

The Company and its employees regularly promote and participate in projects for cleanliness of river Narmada through cleaning banks, putting up flex, banners and wall painting messages. The company sponsored various programmes for environment protection like Marathon 'Run Jabalpur Run' for environment protection, 'Narmada Mahotsava' and 'Narmada Jayanti'.

**Social Responsibility and Community Development**

Supply of drinking water in the surrounding villages and installation of drinking water connections were undertaken during the year. In addition, the Company provided drinking water at various locations around the factory during the summer season.

**Education**

Education remains as one of the focus areas of social development and the Company supports academics at all levels. The Company provides assistance to schools such as Parivartan, Sadhu Vaswani Mission and Ekal Vidyalaya (Friends of Tribal Society). The Ekal Vidyalaya movement aims to help eradicate illiteracy from rural and tribal India. The Company also provides scholarships to poor girls of the locality and educational support to various poor children through contributions to Charitable Institution and Hamara Jabalpur for 'Balika Prothsaahan Yojana'. The Company also aided the repairs and maintenance of schools located in the nearby villages and provided financial help to meritorious but financially challenged students.

**Religious and cultural programmes**

The Company contributes to various local religious and cultural programmes. During the traditional Navratri Garba festival, the Company contributed to various programs. Financial assistance and support was given to community festivals. The Company also assisted in the marriage of poor women.

**Community Health Care**

The Company conducts regular health checks and medical diagnostic camps. The Company also arranged for sprinkling of medicines and insecticides in the surrounding villages to prevent diseases and to promote cleanliness.

**Swachh Bharat Mission**

To promote the national mission on cleanliness "Swachh Bharat Mission", your Company has contributed towards construction of toilets in the nearby village / girls' schools.

**Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programmes.**

The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

The Company shall constantly strive to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It shall also pursue initiatives related to quality management, environment preservation and social awareness, in the areas as detailed below:

- (i) Promoting health care including preventive healthcare and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of soil, air and water;
- (iv) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-





economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (v) Rural development projects;
- (vi) Promote and participate in projects for cleanliness of Narmada river;
- (vii) Promote education of girl child and the underprivileged by providing academic support, assistance to schools, sponsorships for eradicating illiteracy;
- (viii) Emphasis on regular health checks and medical aid/ health care facilities with special focus for the mother and child as well as the old aged persons of surroundings and making available of safe drinking water;
- (ix) Promote and sponsor various sports activities and games organized by local gram panchayat;
- (x) Promote and support local religious and cultural programmes.
- (xi) Other areas as may be notified by the Government from time to time.

The CSR policy is available on the company's website <http://www.narmadagelatines.com>

#### Composition of the CSR Committee:

- Mr Mohan C Pant, Chairman - Independent Director
- Mr Sanjeev Jain - Director
- Mr Ashok K Kapur - Wholetime Director

**Average net profit of the Company for last three financial years : ₹ 2307.02 lacs**

**Prescribed CSR Expenditure : ₹ 46.14 lacs towards CSR.**

#### Details of CSR spend for the financial year :

- a. Total amount spent for the financial year : ₹ 46.06 lacs
- b. Amount unspent, if any : Nil
- c. Manner in which the amount was spent during the financial year is detailed below :

Projects / Activities	Sector	Location	Amount Outlay (Budget) Project or Program-wise	Amount Spent on the project or programs	Cumulative Expenditure Upto Reporting period	Amount spent: Direct or through Implementing agency*
Educational scholarship, provision of books and educational aid to Govt./ other schools	Literacy	Jabalpur (M.P.), Delhi and Pune (Maharashtra)	25.00	26.26	26.26	26.26
Medical and health camps, promotion of healthcare activities, etc.	Healthcare	Jabalpur and surrounding villages	5.00	0.50	0.50	0.50
Providing safe drinking water to community, support in construction of toilets, drainage	Sanitation	Jabalpur	7.50	5.44	5.44	5.44
Tree plantation and maintenance, promotion of river cleanliness	Environment Protection	Bheraghat, Jabalpur	6.50	9.53	9.53	9.53
Financial assistance to orphanage and old age homes	Child and old age people care	Jabalpur	2.00	2.43	2.43	2.43
Assistance for promotion of women entrepreneurship and poor girls marriages	Empowerment of Women	Jabalpur	0.50	0.50	0.50	0.50
Donation for promoting artistic and cultural programmes	Cultural Activities	Jabalpur	2.50	1.40	1.40	1.40
<b>Total</b>			<b>49.00</b>	<b>46.06</b>	<b>46.06</b>	<b>46.06</b>

*\*Details of Implementing Agencies:*

Matrachaya Seva Bharti, Jabalpur, M.P.; Soham Welfare Society, Jabalpur, M.P.; Maharashi Vidya Mandir, Jabalpur, M.P.; Friends of Tribal Society, Delhi & Jabalpur; Little Sisters of the Poor, Jabalpur, M.P.; Sadhu Vaswani Mission, Pune, Maharashtra; Shri Rajkumari Bai Bal Niketan, Jabalpur M.P.

#### Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

*"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."*

Sd/-

**Mohan C Pant**

Chairman of CSR Committee  
26<sup>th</sup> May, 2016, Jabalpur

Sd/-

**Ashok K Kapur**

Whole-time Director



## Annexure - II to the Board's Report

## SECRETARIAL AUDIT REPORT

## FORM No. MR-3

For the Financial Year Ended 31<sup>st</sup> March, 2016

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
NARMADA GELATINES LIMITED  
'CARAVS', Room No. 28,  
15 Civil Lines, Jabalpur (M.P.)  
Pin - 482001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Narmada Gelatines Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Narmada Gelatines Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions as may be applicable to the company of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowings: Not applicable during the period under review;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: Not applicable during the period under review;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not applicable during the period under review;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable as the company has not issued any debt securities during the period under review
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not applicable during the period under review as the company is not acting as a Registrar and Share Transfer Agent.
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable during the period under review;
  - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998: Not applicable during the period under review;
  - i. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.
- (6) The Food Safety and Standards Act, 2006 along with Food Safety and Standards Rules, 2011;
- (7) Factories Act, 1948 and Rules made thereunder;
- (8) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules made thereunder;
- (9) Maternity Benefits Act, 1961;
- (10) Minimum Wages Act, 1948;
- (11) Payment of Bonus Act, 1965;

