

ANNUAL REPORT 2017-18



Narmada Gelatines Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Justice Gulab Gupta
Mr. Deepak Chaudhuri
Mr. Mohan Chandra Pant
Mr. Sanjeev Jain
Mr. Ravindra K. Raje
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. Raje
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. Raje
Mr. Ashok K. Kapur
Mr. Sudhir Srivastava, Factory Manager
Mr. S. Bhattacharya, GM - Operations

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Mahesh Verma

CHIEF FINANCIAL OFFICER
Ms. Garvita Asati

STATUTORY AUDITORS
Lodha & Co., 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

CIN : L24111MP1961PLC016023

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BOARD'S REPORT

The Directors present the 57th Annual Report of Narmada Gelatines Limited (the Company) along with the audited financial statements for the financial year ended 31st March, 2018.

Financial Highlights

	(₹ lakh)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from Operations	11761.23	11275.51
Other Income	439.79	584.18
Total Income	12201.02	11859.68
Total expenses	11351.10	11027.38
Profit before tax	849.92	832.30
Tax Expense	46.23	221.72
Profit after taxation	803.69	610.59
Other Comprehensive Income:		
Re-measurements of net defined benefit plans	15.22	14.19
Net Profit for the year	818.92	624.78

Economy Overview

India's economic growth in 2017-18 experienced a slowdown to 6.6% from 7.1% in the previous year. The first quarter of the financial year 2017-18 saw the impact of demonetisation settling down, while in the next quarter, the introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

Sectors such as public administration, defence and other services, trade, hotels, transport, communication and services related to broadcasting, electricity, gas and water supply and other utility services, financial, real estate and professional services registered a growth of over 7%.

Industrial growth also recovered with the Index of Industrial production (IIP) registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. The cumulative growth for the year stood at 3.7% in contrast to 5.1% growth registered during 2016-17.

Manufacturing sectors such as pharmaceuticals, electronics and transport equipment registered robust double-digit growth rates, while growth in other sectors such as electrical equipment, garments and textiles slackened.

Indian exports exhibited positive growth during the year 2017-18 and expanded by around 11% over the previous year.

Operating Performance

During the year under review, despite the economic slowdown in first half, your company recorded a turnover (net of excise) of ₹117.61 crores as compared to ₹112.75 crores in the previous year. Profit after tax at ₹8.03 crores improved significantly as compared to ₹6.10 crores in 2016-17 as a result of reduction in tax expense. Consequently, Earnings per share increased to ₹13.54 as compared to ₹10.33 in 2016-17.

Dividends

Based on the company's performance, the Directors are pleased to recommend a dividend of ₹4.00 per Equity Share (previous year ₹4.00 per Equity Share) for the financial year ended 31st March, 2018. The total outflow on account of the

proposed dividend including dividend distribution tax will be ₹291.72 lakh (previous year ₹291.24 lakh). 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, 2018 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 ₹ 81.89 lakh (being 10% of the net profits for the year) to the General Reserve.

Industry Structure and Developments

Global gelatin market is expected to grow at a rate of 2% to 3% per annum. Increasing use in nutraceuticals, recognition of preventive healthcare, growing demand for technical textile and utilization of functional food are the major factors driving the market growth. Pharmaceutical applications are expected to witness fastest growth on account of rapidly expanding usage of hydrocolloids in production of tablets and capsules. However, food security concerns and threat of vegan gelatin substitutes are some of the factors hindering the market growth.

Pig skin segment holds the maximum share of the gelatin market. Huge amount of collagen found in pig skin is one of the key factors driving this segment. Bovine hides and bones are unrefined materials that are used broadly in the market, and both these segments combined together account for less than 60% share of the overall gelatin market.

Growing regulatory issues, primarily in the food industry, are also challenges for domestic 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 continue to 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. The industry has been taking pro-active steps to make the Government authorities aware of such imports. Furthermore, availability of cheap raw materials has pushed down the gelatine prices globally. This has the impact on 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. The availability of good quality crushed bones at a reasonable cost is critical for the competitiveness of the domestic ossein and gelatin industry. The government has allowed imports of crushed bones and the quality of the imported bones is far superior. This may help to reduce the raw material prices in India and also help to improve the quality of gelatin.

The growth of the market for food gelatin is driven by the end-use industries, such as confectionery, nutritional drinks and bakery. Although the market is growing, it is facing different challenges that include low acceptance from strict vegetarians and religious groups. While your company is taking all actions to improve product mix, yield and productivity along with cost reduction measures, the price realisation for gelatin and consequently the margins are constantly facing pressure. The prima facie indications from the Government to replace the gelatin capsules by Hydro-

xypropylmethyl cellulose (HPMC) is a major challenge being faced by the industry over the past year. For the time being, this has been set to rest as the recommendation of expert committee appointed by the Government is in favour of continuing with gelatin capsules for medicinal use.

Segment-wise or product-wise performance

The Company is engaged in only one segment namely manufacture and sale of gelatine and related products like ossein and di-calcium phosphate (DCP) and as such there are no reportable segments as per Ind AS-108 "Operating Segments"

Quality initiatives

The Company is committed to the highest levels of quality for its products and customer services. During the financial year 2017-18, the Company retained its ISO certification for Quality Management (ISO 9001:2008), EDQM Certification from European Directorate for the Quality of Medicines and Healthcare, DNV Management System Certification for Food Safety Management System Standard (ISO 22000:2005), KOSHER Certification, Halal Assurance System Certification from Majelis Ulama, Indonesia.

Internal financial controls and its adequacy

The Company has designed and implemented a process driven framework for Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18 and commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

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 has not accepted any deposits from public as defined under Chapter V of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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 brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure I of this report in the format prescribed in the

Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on <https://www.narmadagelatines.com>.

Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. 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

As per the provisions of Section 177(9) of the Companies Act, 2013 ('Act'), the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns. The Company has a Whistle-blower Policy in place to encourage and facilitate employees to report concerns about unethical behaviour, actual/suspected frauds and violation of Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website www.narmadagelatines.com and in the Corporate Governance Report.

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, Ms. Drushti R Desai retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

Pursuant to the provisions of Section 149 of the Act, Mr. Gulab Gupta, Mr. Mohan C Pant and Mr. Deepak Chaudhari are Independent Directors of the Company. They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as an Independent Director during the year.

During the year, Ms. Garvita Asati has been designated as Chief Financial Officer of the Company with effect from August 7, 2017.

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 Director proposed to be reappointed, nature of her expertise in specific functional areas and names of companies in which she holds 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

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Chairman and individual

directors has to be made. The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. The manner in which the evaluation has been carried out is covered in the Corporate Governance Report.

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) 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 financial year under review, 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 Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2018 and of the profit of the Company for the year ended on that

date;

- 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;
- the annual financial statements have been prepared on a going concern basis;
- proper internal financial controls have been followed and that such financial controls are adequate and are operating effectively; and
- 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 35 of Notes to Financial Statements forming part of the Annual Report. None of the Directors have any pecuniary relationships or transactions with the Company or vice versa.

Statutory Auditors and Audit Report

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Lodha and Company, Mumbai, Chartered Accountants (Firm Registration No.301051E), were appointed as statutory auditors from the conclusion of 56th Annual General Meeting of the Company, till the conclusion of 61st Annual General Meeting to be held in 2022. However, as per the Companies Amendment Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is now not required to be ratified at every Annual General Meeting.

The Statutory Auditors, M/s Lodha and Company, Mumbai, Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the Financial Year 2017-18, which forms part of the Annual Report 2017-18. The Notes on Financial Statements referred to in the Auditors' Report for the year 2017-18 are self-explanatory. There are no observations, qualifications, reservations or adverse remarks of the Auditors in the Auditor's Report that call for any explanation.

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, Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice, was appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this Report as Annexure - II. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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 2017-18, 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 20th September, 2017 (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 certificate on Corporate Governance for the year ended 31st March, 2018 issued by Dr. Asim Kumar Chattopadhyay, Company Secretary in Practice, 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

All the employees in the Company are considered equal. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, origin, sexual orientation or age. Every individual is expected to treat his/her colleagues with respect and dignity. The Company has in place a policy for prevention of sexual harassment at workplace. This Anti- Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and 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 31st March, 2018.

Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

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.

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: 29th May, 2018

Annexure - I to the Board's Report**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

Social welfare and community development at the core of the Company's Corporate Social Responsibility philosophy and this continues to be a priority. The Company focuses on activities 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.

During the year under review, the Company's contributions to the community were in the areas of protection of environment, promotion of education, livelihood, promoting health care including preventive health care, providing water, sanitation and rural 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'.

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 **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 Hamara Jabalpur for '**Balika Prothsaahan Yojana**' and other charitable institutions. 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 programs

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, eye check-up and blood donation camps 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 and maintenance 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: www.narmadagelatines.com

Composition of the CSR Committee:

- Mr. Mohan C. Pant - Independent Director (Chairman)
- Mr. Sanjeev Jain - Director
- Mr. Ashok K. Kapur - Whole-time Director

Average net profit of the Company for last three financial years: ₹ 1372.53 lakh

Prescribed CSR Expenditure: ₹ 27.45 lakh

Details of CSR spend for the financial year:

a. Total amount spent for the financial year ₹ 27.74 lakh

b. Amount unspent, if any: Nil

c. Manner in which the amount was spent during the financial year is detailed below:

(₹ lakh)

Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programwise	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	6.00	6.44	6.44	6.44
Medical and health camps, promotion of healthcare activities, blood donation, etc.	Healthcare	Jabalpur and surrounding villages	0.50	0.60	0.60	0.60
Providing safe drinking water to community, support in construction and maintenance of toilets, drainage and roads	Sanitation / Rural development	Jabalpur	1.40	1.43	1.43	1.43
Tree plantation, and maintenance, promotion of river cleanliness and protection	Environment Protection	Bheraghat, Jabalpur	14.50	14.50	14.50	14.50
Donation to orphanage and old age homes	Child and old age people care	Jabalpur	1.00	0.50	0.50	0.50
Financial support for marriage of tribal girls	Care for girl child	Jabalpur	0.50	0.30	0.30	0.30
Sponsoring sports and games events	Sports promotion	Jabalpur	1.00	1.24	1.24	1.24
Financial Support for providing food and clothing to poor people	Eradication of poverty	Jabalpur	0.60	0.68	0.68	0.68
Promotion of cultural activities	Cultural activities	Jabalpur	1.00	0.80	0.80	0.80
Salary and administration costs			1.25	1.25	1.25	1.25
Total			27.75	27.74	27.74	27.74

* Details of Implementing Agencies:

Soham Welfare Society, Jabalpur; Maharishi Vidya Mandir, Jabalpur; Friends of Tribal Society, Jabalpur; Brahmarishi Mission Samiti, Jabalpur; Arya Vidhya Sabha, Jabalpur; Narmada Ved Vedang School, Jabalpur; Sanatam Dharam Shiksha Samiti, Jabalpur; Ekal Gram Sangthan, Jabalpur; Deendayal Antodaya Roti Yojana; Jabalpur; Abhavya Jan Vikas Samiti, Jabalpur

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

Sd/-
Ashok K. Kapur
Whole-time Director

29th May, 2018, Jabalpur

Annexure - II to the Board's Report**SECRETARIAL AUDIT REPORT
FORM No. MR-3**

For the Financial Year Ended 31st March, 2018

(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) - 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 31st March, 2018, 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 31st March, 2018 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;
- (12) Payment of Gratuity Act, 1972;

(13) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956;

(14) Payment of Wages Act, 1936;

(15) Environmental Laws.

I have also examined the compliance of Secretarial Standards on Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

There is no change in the composition of the Board of Directors during the period under review. Adequate notice(s) had been given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The Resolutions passed by the Board of Directors and Committees thereof had no dissenting views which were required to be captured and minuted.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with my letter of even date annexed as Annexure "A" and forms an integral part of this report.

Sd/-

Dr Asim Kumar Chattopadhyay

Practising Company Secretary

C P No.: 880 (Whole Time)

FCS No.: 2303

Jabalpur

Dated: 3rd May, 2018

Annexure "A"

TO THE SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2018

To,

The Members

Narmada Gelatines Limited

'CARAVS', Room No. 28,

15 Civil Lines, Jabalpur (M.P.) – 482001

My report for the financial year ended 31st March 2018 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature : Sd/-

Name : Dr Asim Kumar Chattopadhyay

Designation : Practising Company Secretary

Certificate of Practice No. : 880

Date : 3rd May, 2018