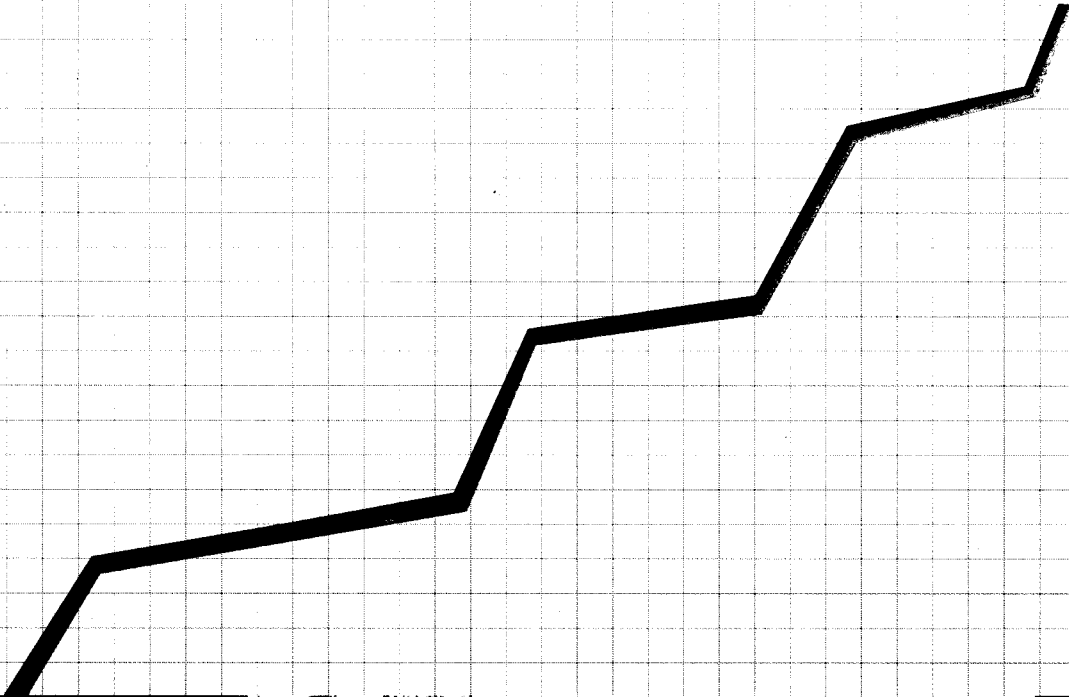




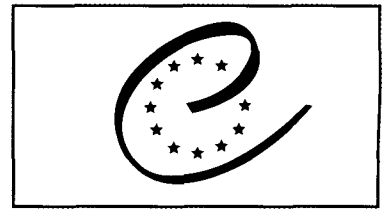
Annual Report



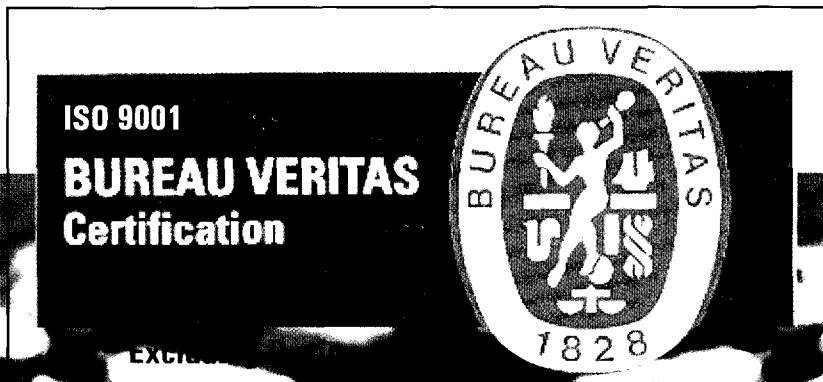
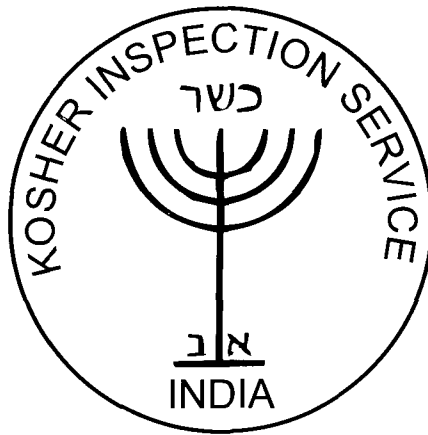
NARMADA GELATINES LIMITED



European Directorate for the
Quality of Medicines & Health Care



COUNCIL OF EUROPE CONSEIL DE L'EUROPE



ISO 9001:2000

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Company Information

Board of Directors

Kiran M. Chhabria
Sanjeev Jain
Justice Gulab Gupta
Deepak Chaudhuri
Mohan Chandra Pant
Ravindra K. Rajee
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

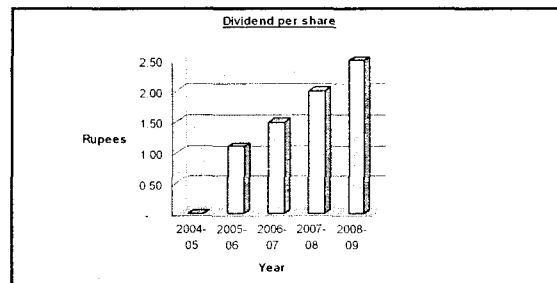
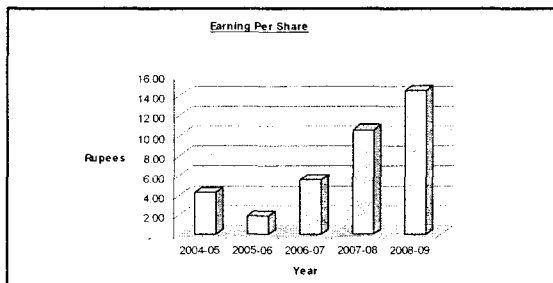
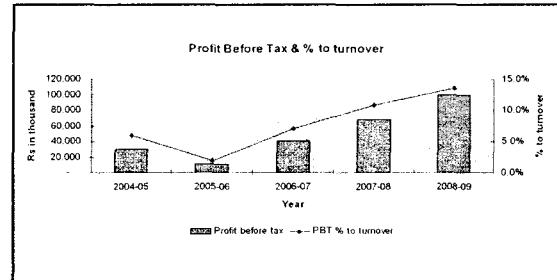
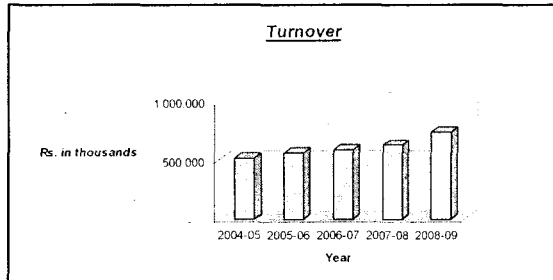
Listed with

Bombay Stock Exchange Ltd.
Madhya Pradesh Stock Exchange Ltd.



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



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.



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

**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.



- 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.



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.



Mr. Jain is a Chartered Accountant. He is presently on the Board of a number of companies. Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Jain be appointed as Director of the Company.

Your Directors, therefore, recommend the resolution set forth in Item No. 7 for your approval.

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

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



Director's Report & Management Discussion and Analysis

Dear Shareholders,

Your Directors are pleased to present the 48th Annual Report and the audited accounts of the Company for the year ended March 31, 2009.

	Rs. Lacs	
	Year ended 31st March, 2009	Year ended 31st March, 2008
Sales & Other Income	6857.85	5669.09
Profit before Tax	992.14	682.36
Provision for Taxation:		
Current	214.33	230.10
Earlier Year Tax	56.78	Nil
Deferred Tax	132.23	15.01
Fringe Benefit Tax	<u>3.14</u>	<u>2.78</u>
Profit after Tax	585.66	434.47
Balance brought forward from last year	<u>1296.21</u>	<u>995.75</u>
Amount available for appropriation	1881.87	1430.22
Transfer to General Reserves	58.57	32.59
Dividend and tax on Preference Shares	1.85	6.03
Proposed Dividend on Equity Shares	100.83	80.66
Tax on proposed dividends	<u>17.14</u>	<u>14.73</u>
Balance carried forward	1703.48	1296.21

Operations

The gross turnover of the company increased to Rs. 73.40 crores from Rs. 62.52 crores in the previous year. During the year, revenue from exports increased to Rs. 2.75 crores as compared to Rs. 1.40 crores in the previous year.

The Profit before tax improved to Rs. 9.92 crores as compared to Rs. 6.82 crores in the previous year. Net profit after tax was Rs. 5.86 crores as against Rs. 4.34 crores in the previous year.

The improvement in profitability was primarily as a result of higher production and savings in fuel cost.

Final Redemption of 9% Cumulative Preference Shares

Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Calcutta, the company paid the third and final instalment in respect of the final redemption of 9% Cumulative Redeemable Preference Shares as per the terms of redemption.



Dividends

The Directors are pleased to recommend, for approval of the Members a Dividend of 25% i.e. Rs.2.50 per share on 4,033,058 Equity Shares of Rs.10/- each of the Company for the financial year 2008-09.

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 8th September, 2009 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).

Industry Structure and Developments

The effects of the global recession and slowdown in economy also affected India and most of the industries were impacted as a consequence. While all the macro-economic parameters indicate a slowing of economic growth, the magnitude of impact on the various industrial segments is different. Demand remains the underlying criteria for the growth prospects for any economy or industrial vertical.

Gelatine industry in India is characterised by the manufacturers supplying to a limited number of bulk industrial customers. Around 85% of the use of gelatine in the country is in the pharmaceutical industry while the balance is for edible use. The impact of the economic meltdown on your company's business was marginal as the demand of gelatine remained at a steady level.

During the year, keeping in view the gap between demand and supply of gelatine, your Company expanded the capacity of gelatine production from 2100 MTs to 2400 MTs per annum. This expansion will help the company to achieve economies of scale and to consolidate the company's position in the Gelatine industry.

During the year, your company obtained CAPEXIL registration for Bone Mill and Gelatine & Ossein Plant. This now enables the company to export to European Union Countries. The company has also obtained Halal registration for exports to Indonesia.

Credit Rating

Your company has been rated by ONICRA Credit Rating Agency of India Limited at "SE 1A" which indicates "Highest Performance Capability & High Financial Strength - Prospects of performance are the highest and the entity has a high capacity to meet its financial obligations."

Opportunities and Threats

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

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

Performance

The capacity utilisation of gelatine production by your Company was 90% against the industry average of around 84%.

**Outlook**

The company's actions to improve productivity and enhance the production capacity has started yielding better results. Barring any unforeseen circumstances, your company should continue to perform well.

Risks and Concerns

Since gelatine is intended for human consumption, checks and controls of the supply chain of basic raw materials are stringent. This is restricting availability of suitable raw materials and the situation is likely to continue in future also. The replacement of by-product Di-calcium Phosphate by enzymes in poultry feeds as an alternative needs a close watch on the developments.

Segment-wise or product-wise performance

The company is engaged in the business of manufacture and sale of gelatine, ossein and Di-calcium phosphate which broadly form part of one product group and hence a single business segment. However, based on geographical factors, reportable segment have been identified as exports sales and domestic sales. The segment revenue information is given separately in Schedules to Accounts under the disclosure as required under Accounting Standard 17 - Segment Reporting and form part of the Directors' Report.

Internal Control System

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

The Audit Committee and the Management review the recommendations of Internal Auditors and suitable steps are taken to implement their recommendations on regular basis.

Human Resources

Retaining high performing talent has been the prime focus. The Company has made a concerted effort to match industry compensation norms in order to retain dedicated and skilled employees.

As in the past, industrial relations continued to remain cordial.

Fixed Deposits

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

Subsidiary Company

The Company does not have any subsidiary company.

Directors

During the year, Mrs. V.M. Chhabria stepped down from the directorship of the Company w.e.f. January 29, 2009.

Mr. Sanjeev Jain was appointed as Additional Director of the Company with effect from January 29, 2009. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Jain holds office upto the date of the forthcoming



Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with the requisite deposit, proposing his appointment as a Director of the Company. Resolution seeking approval of the Members for the appointment of Mr. Sanjeev Jain as Director liable to retire by rotation has been incorporated in the Notice of the forthcoming Annual General Meeting.

Pursuant to the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. Gulab Gupta and Mr. R.K. Raje, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

Your Board of Directors recommends their re-election.

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

Brief resume of the Directors proposed to be 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 Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section on Corporate Governance elsewhere in the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- I. That in the preparation of accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so far as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit and loss of the Company for the year under review;
- III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- IV. That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

Auditors and Audit Report

M/s T.R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letters from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.



Transfer of Unpaid and Unclaimed amounts to IEPF

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends and interest on debentures which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices.

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Annual Report. The Whole-Time Director's declaration regarding compliance with the Company's Code of Business Conduct and Ethics for Directors and Management Personnel forms part of Report on Corporate Governance. The requisite certificate from M/s T.R. Chadha & Co., Chartered Accountants, Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the aforesaid Clause 49, 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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure to this Report.

Employees

A statement, as required under section 217(2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed hereto and forms part of this Report.

Industrial Relations

Industrial relations remained cordial throughout the year. Your Directors also 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 the shareholders for their continued interest and valued support.

On behalf of the Board of Directors

Place : Jabalpur
Date : May 26th 2009

Ravindra K. Raje
Director

Ashok K. Kapur
Wholetime Director





Annexure to Directors' Report

I. Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988

A. RESEARCH & DEVELOPMENT

1. Specific Area in which R&D carried out by the Company :

- (a) Modification in the process parameters - Bio-gas generated during effluent treatment utilized in boiler for steam generation / generating hot air for drying Di-calcium phosphate.
- (b) Commissioning of Fluidized Bed Boiler, thereby improving the efficiency and reducing energy cost.

2. Benefits derived as a result of above R & D :

Savings in energy cost.

3. Future Plan of Action :

- (a) Putting up of vapour absorption system for generating chilled water for yield improvement and energy saving.
- (b) Putting up of balancing equipment to increase Ossein and Gelatine production.

4. Expenditure on R& D

Recurring - Rs. 6,90,545; Capital Expenditure - NIL
Total R&D Expenditure as a % of Total Turnover : 0.10%

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts in brief made towards technology absorption, adoption and innovation:

Innovation in process technology and parameters for gelatine manufacture to save energy cost.

2. Benefits derived as a result of above efforts:

Savings in energy cost.

Utilisation of Bio-Gas has resulted in reduction of furnace oil consumption from earlier years i.e. 77 Kgs per MT to 64 Kgs per MT of Di-calcium phosphate produced. Total savings 123 MT of furnace oil annually.

High Efficiency Boiler put to use - Energy Cost as percentage to selling price reduced from 20.27% to 17.85%.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year following information may be furnished :

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> (a) Technology (b) Year of import (c) Has technology been fully absorbed (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future Plan of action | } | Not applicable as no technology imported |
|--|---|--|



4. Foreign Exchange Earnings and Outgo

The F.O.B. value of exports amounted to Rs. 274.87 lacs against Rs 140.02 lacs in the previous year.

Other Income includes Rs. 3.59 lacs gain from foreign currency fluctuations.

The expenditure in foreign exchange comprises import of raw materials Rs. 7.02 lacs, travel for export promotion Rs. 0.65 lacs and other expenditure Rs. 25.60 lacs.

II. Statement as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the period ended March, 31, 2009 (Particulars of Employees in receipt of remuneration of more than Rs. 24,00,000/- per annum if employed for the whole year or Rs. 2,00,000/- per month if employed for part of the year)

Name	Age (in years)	Designation / nature of duties	Remuneration	Qualification	Experience (in years)	Date of Commence - ment of employment	Previous Employ - ment
Mr. Ashok K. Kapur	62	Whole Time Director	Rs. 25.85 lacs	B.E. (Mechanical)	39	20.02.1970	P. Leiner & Sons (U.K.)

The above appointment is contractual.

Remuneration includes salary, bonus, allowances, leave encashment, company's contribution to provident fund and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules and excludes gratuity benefits which are paid as per company's policy, subject to the maximum amount as prescribed in Income Tax rules.

Mr. Ashok K Kapur is not related to any employee of the company.

Mr. Kapur is a Mechanical Engineer having 39 years of experience in Gelatine industry. He has been the Chairman of Ossein & Gelatine Manufactures' Association of India and Director of Gelatine Manufactures Association of Asia Pacific and Chairman of the Ossein and Gelatine Panel of CAPEXIL.

Mr. Kapur holds 600 Equity Shares in the Company.

On behalf of the Board of Directors

Ravindra K. Raje
Director

Ashok K. Kapur
Wholetime Director

Place : Jabalpur
Date : May 26th 2009



Report on Corporate Governance

The Company's shares are listed on the Bombay Stock Exchange Limited. Accordingly, the Corporate Governance Report for the year 2008-09, which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreements.

1. Company's Philosophy on Corporate Governance

The Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. The company believes in the principles of integrity, fairness, equity, transparency, accountability and commitment to values in all facets of its operations, and in all its interactions with its stakeholders including shareholders, employees, government and the lenders. It is also believed that adherence to business ethics and commitment to corporate social responsibility would help the Company achieve its goal of maximizing value for all its stakeholders. It is a continuous exercise and the Company is committed to pursue the highest standards of Corporate Governance in the overall interest of all the stakeholders.

The Board of Directors has the requisite number of independent Directors. For effective discharge of its functions and proper deliberations, the Board has constituted various business committees from time to time. Adequate disclosures and information are provided to the Board/ Committees. The independent Directors actively participate at the Board and Committee Meetings.

The Company has adopted a Code of Conduct for its employees including the Whole-time Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. The Code has been circulated to all the members of the Board and senior management and affirmation is received from all the members of Board and the senior management staff regarding its compliance.

2. Board of Directors

A. Board Composition, attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies:

- (i) The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Company has seven Directors with a Non-Executive Chairman. Of the seven Directors, six are Non-Executive Directors and three are Independent Directors.

Composition of the Board and category of Directors are as follows :

Category	Name of the Directors
Promoter Directors	Ms. Kiran M. Chhabria
Executive Director	Mr. Ashok K. Kapur
Non Executive Non Independent Director	Mr. Sanjeev Jain Mr. R.K. Raje
Independent Directors	Justice Gulab Gupta Mr. Deepak Chaudhuri Mr. M. C. Pant



- (ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 of the Listing Agreement, across all the companies in which he/ she is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2009 have been made by the Directors.

Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies is given below.

Name of Director	No. of other Directorships	Committees of which he/ she a member	Committees of which he/ she is Chairperson	Attendance	
				Board Meetings	Last AGM (19.9.2008)
* Mrs. Vidya M. Chhabria	4	-	-	-	No
Ms. Kiran M. Chhabria	2	-	-	-	No
** Mr. Sanjeev Jain	3	3	-	1	NA
Mr. Deepak Chaudhuri	-	1	-	1	No
Justice Gulab Gupta	-	3	1	4	Yes
Mr. M.C. Pant	-	3	1	4	Yes
Mr. R. K. Raje	8	5	1	3	Yes
Mr. A.K.Kapur	1	1	-	4	Yes

Notes:

* ceased to be a Director w.e.f. January 29, 2009

**Appointed as an Additional Director w.e.f. January 29, 2009

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of all Public Limited Companies have been considered.

Directors' Profile

Brief resume of the Directors being reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/ chairmanships of Board and Committees and their shareholding in the Company, if any, are provided below :

- (1) Mr. Ravindra K Raje is a Fellow member of the Institute of Chartered Accountants of India. He is also a qualified Company Secretary and a Bachelor of Law. He has an experience of 32 years in industry and Consultancy Assignments.



He is presently on the Board of GWL Properties Ltd., Harshit Finlease & Investments Limited, Jumbo World Holdings (India) Limited, Jerom Trading & Investment Ltd., MPIL Corporation Ltd., Narmada Gelatines Limited, Tullis Woodroffe & Co. Ltd., , Aasman Management Services Pvt. Ltd., Firestorm Electronics Corporation Pvt. Ltd., Gordon Woodroffe Agencies Pvt. Ltd., Gordon Woodroffe Distilleries Ltd., Jumbo Electronics Corporation Pvt. Ltd., L'Aquila Investments Co. Pvt. Ltd., Primo Enterprises Pvt. Ltd., Phonegarage.com (India) Pvt. Ltd., SMN Engineers Ltd, Viman Investments Pvt. Ltd., Wizer Advertising Pvt. Ltd

He holds 90 equity shares of the company as on 31st March, 2009.

- (2) Justice Gulab Gupta is a B.A., L.L.B from Allahabad University and L.L.M. from U.S.A. He became Judge of M P High Court, Jabalpur in the year 1985. Later on, he became Chief Justice of Himachal Pradesh High Court. He held the post of Governor, Rotary Club and was Chairman, Human Rights Commission, Madhya Pradesh. He was Vice Chancellor of Rani Durgawati University, Jabalpur for two years. Presently, he is practicing as a Supreme Court Lawyer.

He does not hold any shares in the company as on 31st March, 2009.

- (3) Mr. Sanjeev Jain. He is a Chartered Accountant. He is on the Board of MPIL Corporation Limited, GWL Properties Limited, Hundwara Finance & Investment Company Pvt. Ltd., Jerom Trading & Investment Ltd. and Orson Video Pvt. Ltd.

He does not hold any shares in the company as on 31st March, 2009.

- (4) Mr. Ashok K. Kapur is a Mechanical Engineer having 39 years of experience in Gelatine industry. He is Ex-Chairman of Ossein & Gelatine Manufactures' Association of India and Director of Gelatine Manufactures Association of Asia Pacific and Ex-Chairman Ossein and Gelatine Penal CAPEXIL. At present he is on the Board of GWL Properties Limited and Narmada Gelatines Limited.

He holds 600 equity shares of the company as on 31st March, 2009.

B. Board Meetings held during the year

During the year ended 31st March, 2009 the Company held four Board meetings, as against the minimum requirement of four meetings. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings held are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1	27th May, 2008	7	4
2	29th July, 2008	7	4
3	31st October, 2008	7	3
4	29th January, 2009	7	6



3. Audit Committee

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii) The terms of reference of the Audit Committee are broadly as under:
- Reviewing the financial reports and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information as disclosed in the reports.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and other payments.
 - Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information.
 - Reviewing with management the quarterly and annual financial statements before submission to the Board focussing primarily on:
 - ◆ any changes in accounting policies and practices;
 - ◆ major accounting entries based on exercise of judgment by management;
 - ◆ qualifications in draft audit report;
 - ◆ significant adjustments arising out of audit;
 - ◆ the going concern assumption;
 - ◆ compliance with accounting standards;
 - ◆ compliance with stock exchange and legal requirements concerning financial statements;
 - ◆ any related party transactions as per Accounting Standard 18.
 - ◆ Reviewing the Company's financial and risk management policies.
 - ◆ Disclosure of contingent liabilities.
 - Reviewing with the management, and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit charter, approval of the audit plan and its execution, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Looking into the reasons for substantial defaults in payments to the shareholders (in case of non-payment of declared dividends) and creditors.
- iii) The Audit Committee Meetings are usually attended by the Whole Time Director, Head of Finance & Accounts Department, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as Secretary of the Audit Committee.
- iv) The previous Annual General Meeting of the Company was held on September 19, 2008 and it was attended by Mr. Gulab Gupta, Chairman of the Audit Committee.



- v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

The Audit Committee comprises of four Non-Executive Directors viz., Justice Gulab Gupta, Mr. Deepak Chaudhuri, Mr. R.K. Raje and Mr. M.C. Pant. Mr Gulab Gupta, an Independent Non-Executive Director is the Chairman of the Committee.

Mr. R.K. Raje possesses expert financial and accounting knowledge and is a Fellow member of the Institute of Chartered Accountants of India. He is also a qualified Company Secretary and a Bachelor of Law.

Mr. Mahesh Verma, Company Secretary acts as the Secretary to the Audit Committee.

Attendance of each Member at the Audit Committee meetings held during the year:

S.No.	Name	No. of meetings attended
1	Mr. Deepak Chaudhuri	1
2	Justice Gulab Gupta	4
3	Mr. R.K. Raje	3
4	Mr. M.C. Pant	4

Four Audit Committee meetings were held during the year. The details of the meetings are as under:

Sl.No.	Date	Committee Strength	No. of Members Present
1	27th May, 2008	4	3
2	29th July, 2008	4	3
3	31st October, 2008	4	2
4	29th January, 2009	4	4

4. Remuneration Committee

- i) The Company has constituted a Remuneration Committee of Directors.
- ii) The broad terms of reference of the Remuneration Committee are as under:
- To approve the remuneration and incentive remuneration payable to the Whole Time Director for each financial year;
 - To approve change in Director's Sitting fees for attending the Board / Committee Meetings and such other matters as the Board may from time to time request the remuneration Committee to examine and recommend/approve.



- iii) The composition of the Remuneration Committee and the details of meetings attended by the members of the Remuneration Committee are given below:

The Remuneration Committee comprises of the following Directors:

Mr. Deepak Chaudhuri	- Chairman
Mr. Gulab Gupta	- Member
Mr. M.C. Pant	- Member

During the year the Remuneration Committee has met once on 29th July, 2008, where Mr. Justice Gulab Gupta and Mr. M. C. Pant were present.

Details of Remuneration and other terms of appointment of Directors:

The aggregate value of the salary and perquisites paid for the year ended 31st March, 2009 to the Whole Time Director is Rs. 25.85 lacs. Besides this, the Whole Time Director is also entitled to Gratuity and encashment of leave at the end of tenure. The Agreement with the Whole Time Director is for a period of 3 years from the date of appointment and can be terminated by either party by giving three months' notice in writing.

The Non-Executive Directors were paid sitting fee at the rate of Rs. 2000/- for attending each meeting of the Board and Rs. 1000/- is paid as sitting fees to Committee members for attending each Committee Meeting of the Directors.

5. Shareholders' Grievances Committee

The Shareholders' Grievances Committee of the Company consists the following Directors :

Mr. M.C. Pant (Chairman)
Mr. Gulab Gupta
Mr. A. K. Kapur

Mr. Mahesh Verma, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India and overseeing the investors' grievances. The Board has delegated the power of approving transfer of shares / issue of duplicate certificates etc. to the Whole Time Director and Company Secretary. During the year, no investors complaint were received by the Company. As on 31st March, 2009 there were no complaints pending reply.

6. General Body Meetings

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

AGM	Year	Venue	Date & Time	Special Resolutions
45 th	2005-06	Hotel Satya Ashoka, Wright Town, Jabalpur	Thursday, 28 th September, 2006 at 1:00 p.m.	For re-appointment of Shri Ashok K. Kapur as the Whole Time Director of the Company.
46 th	2006-07	Hotel Narmada Jackson, South Civil Lines, Jabalpur	Monday, 24 th September, 2007 at 12:30 p.m.	For De-listing of Ordinary shares of the company from The Madhya Pradesh Stock Exchange Ltd., Indore.
47 th	2007-08	Hotel Narmada Jackson South Civil Lines, Jabalpur	Friday, 19 th September, 2008 at 12:30 p.m.	None



During the year ended 31st March, 2009, there were no resolutions passed by the Company's members through Postal Ballot. At the ensuing Annual General Meeting also there is no resolution proposed to be passed through Postal Ballot.

7. Disclosures

- a. Disclosure on materially significant transactions with the related parties viz. Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large :

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company, as all the related party transactions are on arms length basis and in the best interest of the Company. Attention of the Shareholders is drawn to the disclosures of transactions with the related parties set out in Notes to Accounts Schedule 17, forming part of the Annual Report.

- b. The Whole Time Director (CEO) and the Head of Finance have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement for the year ended 31st March 2009.
- c. Details of non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years.

8. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board. These are widely published in leading financial / non-financial newspapers generally in Financial Express / Hitvada and Pratidin/ Navbharat/ Dainik Bhaskar having all India coverage. Annual Results: Annual Report containing inter alia, Audited Annual Accounts, Director's Report, Auditor's Report, Notice of Annual General Meeting with explanatory notes and other important annexure / information is circulated to members and other entitled thereto.

SEBI EDIFAR: Annual report, quarterly results, shareholding pattern etc. of the Company are also posted on the SEBI EDIFAR website www.sebiedifar.nic.in. and corpfilling.co.in

Management Discussion and Analysis forms part of the Annual Report.

9. General Shareholder's Information

□ Annual General Meeting

Day & Date	:	Tuesday, 8 th September, 2009
Time	:	12:30 p.m.
Venue	:	Hotel Narmada Jackson South Civil Lines, Jabalpur



□ **Financial Calendar 2009-2010**

First Quarterly Result	:	By the end of July 2009
Second Quarterly Results	:	By the end of October, 2009
Third Quarterly Results	:	By the end of January, 2010
Annual Results for the year ending on 31 st March, 2010	:	By the end of May 2010

□ **Book Closure period** : 27th August 2009 to 8th September 2009 (both days inclusive)

□ **Dividend payment date** : The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid on or after 8th September, 2009 to those shareholders whose names appear on the company's Register of Members on 8th September 2009.

□ **Listing of Shares and other Securities**

Name of Stock Exchanges

Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001

The Calcutta Stock Exchange Association Ltd. (De-listed w.e.f 31.03.2009)
7, Lyons Range, Kolkata - 700 001

Madhya Pradesh Stock Exchange Association Ltd. (Applied for de-listing confirmation awaited)
201, Palika Plaza - II, M T H Compound,
Indore, Madhya Pradesh

□ **Stock Code**

Scrip Code : Bombay Stock Exchange (BSE) "526739"

Company Symbol: NARMADA GELA



□ **Stock Market Data**

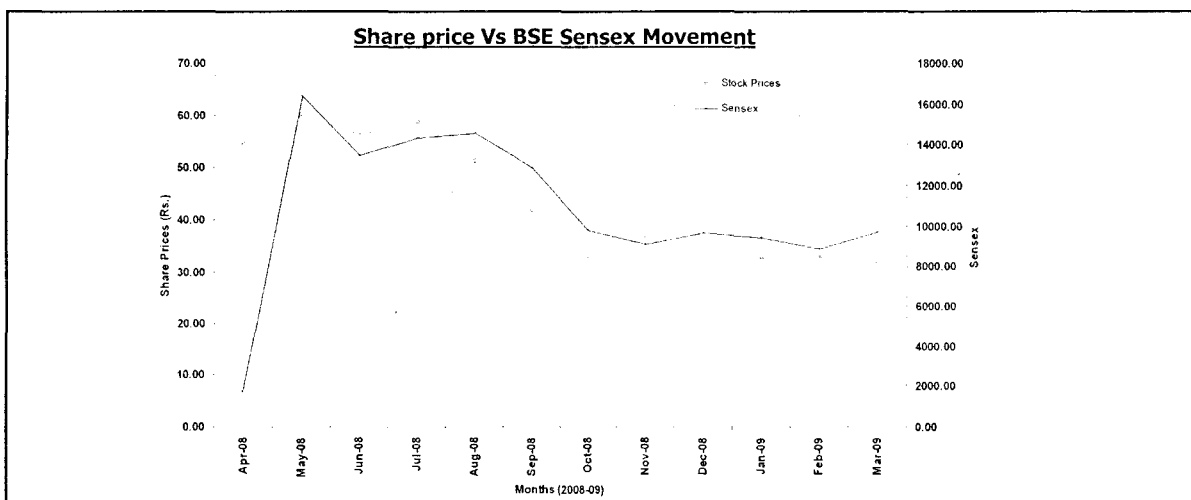
The monthly high/ low market prices of the shares during the year 2008-2009 at the Bombay Stock Exchange Limited (BSE) were as under:- (Source BSE website) (Rs. per share)

Months	High Price	Low Price
April 2008	62.00	43.30
May 2008	71.00	42.30
June 2008	76.00	50.25
July 2008	64.00	49.60
August 2008	62.40	47.55
September 2008	56.00	41.80
October 2008	43.00	30.75
November 2008	39.85	31.85
December 2008	37.95	31.00
January 2009	34.95	31.00
February 2009	34.30	31.60
March 2009	34.95	31.20

□ **Share price performance compared with broad based indices**

		BSE
Company's Share price	As on 1.04.2008	47.90
	As on 31.03.2009	32.10
	Change	-32.99%
BSE Sensex	As on 1.04.2008	15,771.72
	As on 31.03.2009	9,708.50
	Change	-38.44%

□ **Performance of Share price in comparison to the BSE Sensex**





□ **Registrar & Share Transfer Agents**

C B Management Services Pvt. Ltd.
 P-22, Bondel Road, Kolkata 700 019.
 Phone : (033) 2280 6692-93-94
 Fax : (033) 2287 0263
 Email : cbmsl1@cal2.vsnl.net.in

□ **Dividend declared for the last four years**

Year	On 9% Cumulative Preference Shares	On Equity Shares
2005-06	9%	11%
2006-07	9%	15%
2007-08	9%	20%
2008-09	9% (Pro-rata)	25% (Proposed)

□ **Share Transfer System :**

Shares sent for transfer in physical form are registered and returned by the Company's Registrar and Share Transfer Agent in about 20-25 days of the receipt of documents, provided documents are found in order. Shares under objections are returned within two weeks. The Board has delegated the authority for approving transfer, transmission of shares to the Whole Time Director and Company Secretary, which is approved on regular basis by the Investor's Grievance Committee of the Board at its meeting.

In compliance with the Listing Agreement / SEBI Guidelines -

- a Practicing Company Secretary carries out Secretarial Audit on "Dematerialised shares and shares in Physical form" every quarter and the necessary reports issued by him are filed with the Stock Exchanges.
The shares in Dematerialised form and Physical form tally with the issued/paid-up capital of the Company.
- Shareholding pattern and financial results are being uploaded in "Electronic Data Information Filing and Retrieval" (EDIFAR) quarterly and annual Report annually.
- a Practicing Company Secretary carries out a Due Diligence survey, pertaining to share transfers, transmissions etc., every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges in compliance with clause 47(c) of the Listing Agreement.



❑ **Distribution of Shareholding :**

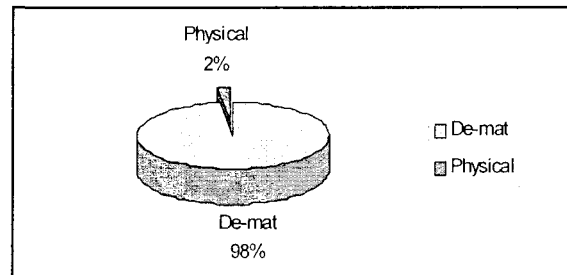
The Distribution as on 31st March 2009 is given below:-

Range		Shareholders		Shares	
No. of shares		Number	% To Total Holders	Numbers	% To Total Capital
Upto	500	1153	82.41	179009	4.44
501 -	1000	110	7.86	86040	2.13
1001 -	2000	65	4.65	97429	2.42
2001 -	3000	31	2.22	81778	2.03
3001 -	4000	12	0.86	42410	1.05
4001 -	5000	7	0.50	34077	0.84
5001 -	10000	7	0.50	49966	1.24
10001 and above		14	1.00	3462349	85.85
TOTAL		1399	100.00	4033058	100.00

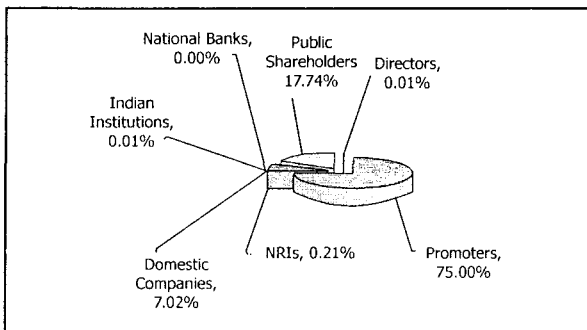
❑ **Dematerialisation of shares as on 31st March , 2009**

Nearly 98% of total Equity Share Capital is held in Dematerialised form with NSDL & CDSL

Category	No. of shares	%
Demat	3946984	97.87
Physical	86074	2.13
Total	4033058	100.00



❑ **Shareholding pattern of the Company as on 31st March, 2009**



Category	No. of shares	% holding
Promoters	3024793	75.00%
NRIs	8535	0.21%
Indian Institutions	350	0.01%
National Banks	Nil	Nil
Domestic Companies	283302	7.02%
Public Shareholders	715388	17.74%
Directors	690	0.01%
Total	4033058	100.00%

❑ **Registered Office**

Caravs, Room No. 28,
15, Civil Lines, Jabalpur (M. P.) 482 001.
Ph. : (0761) 2678627



□ **Address for Correspondence**

- (a) Caravs, Room No. 28,
15, Civil Lines, Jabalpur (M. P.) - 482 001.
- (b) P.O. Box No. 91,
Jabalpur (M.P.) - 482001
- (c) C B Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata 700 019.
Phone : (033) 2280 6692-93-94, Fax : (033) 2287 0263
Email : cbmsl1@cal2.vsnl.net.in

□ **Plant Location**

Meergunj, Bheraghat Road, Jabalpur, M.P.

□ **Transfer of Unclaimed amounts to Investor Education and Protection Fund**

Pursuant to Sections 205A and 205C of the Companies Act, 1956, all unclaimed / unpaid dividend, debenture interest as well as principal amount of debentures as at March 31, 2009 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government.

Shareholders/ debentureholders are hereby informed that the Company is statutorily required to transfer to the IEPF all unclaimed/unpaid dividend, debenture interest and interest on debentures as well as principal amount of debentures remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to the IEPF, no claim of the shareholder / debentureholder shall lie against the Company or the IEPF.

The Investors are advised to claim the unencashed equity dividends / preference dividend / debenture interest / preference redemption money / debenture redemption money for the years 2001-02 to 2007-08 lying in the unclaimed accounts of the Company before the due dates (as indicated in the Notes to the Notice) for crediting the same to the Investor Education and Protection Fund.

During the financial year 2008-09 the Company has remitted the unclaimed / unpaid dividend, debenture interest as well as principal amount of debentures to the Investor Education and Protection Fund the Debenture redemption as detailed below:

Type of Unclaimed Accounts	Amount (Rs.)
First Redemption of Debentures –Feb.'2001	118,852
Second Redemption of Debenture – Feb.' 2002	24,538
Interest on Debenture (1st July- 31st Dec 2001)	30,971
Interest on Debenture (1st Jan.- 30th June 2001)	37,234
Equity Dividends for the year - 2000-01	142,697

On behalf of the Board of Directors

Place : Jabalpur
Date : May 26, 2009

Ravindra K. Raje
Director

Ashok K. Kapur
Wholetime Director



Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its Directors and employees of the Company.

I confirm that the Company has, in respect of the financial year ended March 31, 2009, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

On behalf of the Board of Directors

Ashok K Kapur
Whole Time Director

Place : Jabalpur
Date : May 26, 2009



Certificate on Corporate Governance

To,
The Members of
NARMADA GELATINES LIMITED.

We have examined the compliance of the conditions of Corporate Governance by Narmada Gelatines Limited (the company) for the year ended 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said company, with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that as per the records maintained by the company, there were no investor's grievances remaining unattended / pending for more than 30 days as on 31.03.2009.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For T.R. Chadha & Co.
Chartered Accountants

Vikas Kumar
(Partner)
M.N. 75363

Date: 26.05.2009
Place: Jabalpur





Auditors' Report

To,

The Members of Narmada Gelatines Limited

1. We have audited the attached Balance Sheet of **Narmada Gelatines Limited** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of the Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to above, we report that :
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - 4.3 The Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account.
 - 4.4 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - 4.5 On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act 1956;
 - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes on Accounts as per Schedule 17 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;





- (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **T.R.Chadha & Co.**
Chartered Accountants

Place: Jabalpur
Date : 26.05.2009

Vikas Kumar
Partner
Membership No. 75363





Annexure to the Auditors' Report for the year ended 31st March, 2009 (Referred to in Paragraph 3 of our Report of even date)

I. Fixed Assets

- a) The Company has maintained proper records to show full particulars including quantitative details and situtation of its fixed assets.
- b) As per the information and explanation given to us, the company has physically verified its assets during the previous year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verifications. As explained to us, the managemnt verifies the fixed assets once in three years as per the program.
- c) The assets discarded / sold during the year are not substantial and are not affecting the operations of the Company as a going concern.

II. Inventories

- a) The inventory (except inventory in transit, the subsquent confirmation of which has been obatinbed) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Company is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and records were not material in relation to the operation of the company and the same have been properly dealt with in the books of account.

III. Loans given / taken

As informed to us, the company has neither granted nor taken any Loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 3 (b) to 3 (g) of Para 4 of the Companies (Auditor's Report) Order are not applicable to the Company.

IV. Internal Control

In our opinion, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weakness in internal control system.

V. Transactions under Section 301

According to the information and explanation given to us, there are no contracts or arrangements entered during the year which needs to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956.





VI. Public Deposit

The Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956.

VII. Internal Audit System

In our opinion, the Company's internal audit system is generally commensurate with the size and nature of its business.

VIII. Cost Records

As explained to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956, for any of its products.

IX. Statutory Dues

- a) The Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year. We have been informed that the employees of the Company is not covered under Employees' State Insurance Scheme. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investors Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues were in arrears as at 31.03.2009 for a period of more than six months from the date they became payable.
- b) The details of dues of Income Tax / excise duty not deposited on account of dispute alongwith the amounts involved and the forum where dispute is pending is given as under:

Nature	Amount Rs. in Lacs	Forum at which pending
Income Tax	71.27	ITAT
Excise Duty	0.75	High Court
	132.11	CESTAT
	5.59	Commissioner (Appeals)
	346.70	Commissioner
	0.48	Asst. Commissioner

- X. The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year, nor does it have any accumulated losses.
- XI. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions or Banks.
- XII. The Company has not granted any loans and advances on the basis of any security by way of pledge of shares, debentures and other securities.
- XIII. As explained, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the



provisions of clauses 13 (a) to (d) of Para 4 of the Companies (Auditor's Report) Order are not applicable to the company.

- XIV.** As explained and verified, the Company is not engaged in dealing or trading in shares, securities, debentures and other investments.
- XV.** As explained and verified, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- XVI.** The Company has not obtained any term loan during the year. Accordingly, the provisions of clauses 16 of Para 4 of the Companies (Auditor's Report) Order are not applicable to the company.
- XVII.** According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- XVIII.** According to the information and explanations given to us and verified by us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of Companies Act, 1956.
- XIX.** According to the information and explanations given to us the Company has not issued any Debentures during the year.
- XX.** According to the information and explanations given to us the Company has not raised any money from the public during the year through public issue.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **T.R.Chadha & Co.**
Chartered Accountants

Place: Jabalpur
Date : 26.05.2009

Vikas Kumar
Partner
Membership No. 75363



Balance Sheet As at 31st March 2009

Amount (Rs.'000)

	Schedule	As at 31st March 2009		As at 31st March 2008
<u>SOURCES OF FUNDS</u>				
SHAREHOLDERS' FUNDS				
Share Capital	1	40338		45297
Reserves & Surplus	2	<u>384646</u>	424984	<u>341218</u> 386515
LOAN FUNDS				
Secured Loans	3		24729	20104
DEFERRED TAX LIABILITY (Net)			33588	20241
TOTAL			483301	426860
<u>APPLICATION OF FUNDS</u>				
FIXED ASSETS				
Gross Block	4	467170		438440
Less : Depreciation		<u>265268</u>		<u>273439</u>
Net Block			201902	165001
Capital Work in Progress			12225	32819
INVESTMENTS	5		3	3
CURRENT ASSETS, LOANS & ADVANCES				
Interest Accrued on Deposits		3998		3653
Inventories	6	143884		141799
Sundry Debtors	7	106521		85896
Cash and Bank Balances	8	89654		86899
Loans and Advances	9	<u>12861</u>		<u>15919</u>
		356918		334166
Less : Current Liabilities and Provisions				
Current Liabilities	10	67345		79802
Provisions	11	<u>20402</u>		<u>25327</u>
		87747		105129
NET CURRENT ASSETS			269171	229037
TOTAL			483301	426860
NOTES ON ACCOUNTS	17			

The schedules referred to above form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

for, **T.R.CHADHA & CO.**
Chartered Accountants

For and on behalf of the Board

Vikas Kumar
Partner

M. Verma
Company Secretary

R.K.Raje
Director

A.Kapur
Director

Jabalpur 26th May, 2009



Profit & Loss Account for the year ended 31st March 2009

Amount (Rs.'000)

Schedule	Year Ended 31st March 2009	Year Ended 31st March 2008
INCOME		
Sales	733986	625242
Less: Excise Duty	48201	58334
Net Sales	685785	566908
Other Income 12	14267	13668
Total	700052	580576
EXPENDITURE		
Raw Materials Consumed 13	309196	277059
Manufacturing, Administrative & Other Overheads 14	262911	242581
Interest 15	4598	2860
Depreciation	17099	16202
Less: Transfer from Revaluation Reserve (Increase) / Decrease in Stocks 16	2336	2585
	9383	(23778)
Total	600851	512339
Profit before taxation	99201	68236
Provision for Taxation		
Current Year Tax	21300	23010
Earlier Year Tax	5678	0
Deferred Tax	13347	1501
Fringe Benefit Tax	314	278
Profit after taxation	58562	43447
Balance brought forward from previous year	129621	99575
Profit available for appropriation	188183	143022
Appropriations :		
Transfer to General Reserve	5856	3259
Proposed Dividend on Equity Shares	10083	8066
Dividend & tax paid on Preference Shares	185	603
Tax on proposed dividend	1714	1473
Balance carried to Balance Sheet	170345	129621
	188183	143022
Basic and Diluted Earnings per Share (Rs.)	14.47	10.60

NOTES ON ACCOUNTS **17**

The schedules referred to above form an integral part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our Report of even date.

for, **T.R.CHADHA & CO.**

Chartered Accountants

For and on behalf of the Board

Vikas Kumar

Partner

M. Verma

Company Secretary

R.K.Raje

Director

A.Kapur

Director

Jabalpur 26th May, 2009



Cash Flow Statement for the year ended 31st March 2009

	Amount (Rs.'000)	
	Year Ended 31st March 2009	Year Ended 31st March 2008
A. Cash Flow from Operating Activities :		
Net profit before tax	99201	68236
Adjustments for :		
Depreciation	14763	13617
Interest Income	(8891)	(7340)
Interest Expenses	4598	2860
Loss/(Profit) on Impairment/sale of fixed assets	2159	(607)
Sundry Debit Balances Written off	53	65
Provision / Balances written back	(386)	(94)
Voluntary Retirement Scheme Cost written off	248	376
	12544	8877
Operating profit before working capital changes	111745	77113
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	(17882)	(4856)
(Increase)/Decrease in Inventories	(2085)	(24995)
Increase/(Decrease) in Trade and Other Payables	(17961)	28798
	(37928)	(1053)
Cash generated from operations	73817	76060
Direct Taxes paid	(28108)	(16862)
Voluntary Retirement Scheme Cost paid	(248)	(376)
Net Cash from operating activities (A)	45461	58822
B. Cash Flow from Investing Activities :		
Sale of Fixed Assets	0	1691
Purchase of Fixed Assets & Capital WIP	(36280)	(69559)
Interest received	8652	7340
	(27627)	(60528)
Net Cash used in Investing Activities (B)	(27627)	(60528)

cont..2



contd..... Page 2

C. Cash Flow from Financing Activities:

Dividend including tax thereon paid	(10142)	(8305)
9% Pref Shares Redeemed	(4959)	(4949)
Net Increase/(Decrease) in Bank borrowings	4625	10819
Interest Paid	<u>(4598)</u>	<u>(15074)</u>
Net Cash used in Financing Activities (C)	<u>(15074)</u>	<u>(5295)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<u>2754</u>	<u>(7001)</u>
Cash and Cash Equivalents (Opening Balance)	86900	93900
Cash and Cash Equivalents (Closing Balance)	<u>89654</u>	<u>86900</u>

Notes:

(a) The above Cash Flow Statement has been prepared in accordance with the Accounting Standard on 'Cash Flow Statement (AS-3), issued by the Institute of Chartered Accountants of India.

(b) Cash and Cash Equivalents represent :

	As at 31.03.2009	As at 31.03.2008
Cash and Cheques in Hand	504	660
Remittance in Transit	2512	3543
Balance with Scheduled Banks	86638	82696

(Includes Rs.12315 (Previous year Rs.10993) which are not available for use by the Company)

(c) Previous year's figures have been regrouped / rearranged, wherever necessary. This is the Cash Flow Statement referred to in our Report of even date.

for, T.R.CHADHA & CO.
Chartered Accountants

For and on behalf of the Board

Vikas Kumar
Partner

M. Verma
Company Secretary

R.K.Raje
Director

A.Kapur
Director

Jabalpur 26th May, 2009



Schedule to Accounts

Amount (Rs.'000)

	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE - 1: SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs.10/- each	100000	100000
1,00,00,000 9% Cumulative Redeemable Preference Shares of Rs.10/- each	100000	100000
	200000	200000
Issued, Subscribed and Paid up		
40,33,058 Equity Shares of Rs.10/- each, fully paid	40331	40331
Nil (Previous Year 14,86,124) 9% Cumulative Redeemable Preference Shares of Rs.3.33 each	0	4959
Forfeited Shares	7	7
Total	40338	45297

Notes :

- (1) Of the above Equity Shares :
 - (a) 5,96,020 Equity Shares were allotted as fully paid up by way of bonus shares by capitalisation of Capital Redemption Reserve and General Reserve in 1994-95.*
 - (b) 46,650 Equity Shares were allotted as fully paid up for consideration other than cash, pursuant to a contract.*
*some of these shares (numbers not ascertainable since shares are in demat form) stand cancelled as per the Scheme of arrangement approved by Calcutta High Court on 06th May, 2003.
- (2) 30,24,793 (Previous year 30,24,793) Equity Shares of Rs. 10/- each are held by Dandavati Investments Trading Co. Pvt. Ltd., the holding company
- (3) As per the terms of redemption of Preference Shares, the balance amount was redeemed together with accumulated dividend on 7.08.2008. 1/3rd of the face value of these shares was redeemed on 7.8.2006 and another 1/3rd of the face value of these shares was redeemed on 7.8.2007.





Schedule to Accounts

	Amount (Rs.'000)			
	As at		As at	
	31 st March 2009		31 st March 2008	
SCHEDULE - 2: RESERVES AND SURPLUS				
Capital Reserve		751		751
Securities Premium Account		47841		47841
Revaluation Reserve				
As per last Balance Sheet	22775		26285	
Less: Deduction on account of depreciation / impairment / sale of certain assets	<u>3152</u>	19623	<u>3510</u>	22775
Capital Redemption Reserve				
As per last Balance Sheet	9903			4954
Add: Transferred from General Reserve	<u>4959</u>	14862	<u>4949</u>	9903
General Reserve				
As per last Balance Sheet	130327			132017
Less: Transferred to Capital Redemption Reserve	4959		4949	
Add: Transferred from Profit & Loss Account	<u>5856</u>	131224	<u>3259</u>	130327
Profit & Loss Account		170345		129621
Total		384646		341218

Note:

1. Deductions from Revaluation Reserve comprises of Rs.2,336 (Prev. Year Rs. 2,586) thousands on account of depreciation and Rs. 816 (Prev. Year Rs. 924) thousands on account of Impairment / sale of certain assets (Plant & Machineries) during the year.
2. The amount of redemption of preference share capital during the year amounting to Rs.4,959 thousands has been transferred from General Reserve to Capital Redemption Reserve.

SCHEDULE - 3 : SECURED LOANS

Cash Credit facility from banks	22619	18853
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Secured by hypothecation charge over entire current assets, stock of raw material, finished goods, work in progress and receivable of the company, both present and future, and also mortgage / hypothecation charge on Land and Building and other immovable and movable Fixed Assets of the Company.

Overdraft facility from Bank	2110	1251
Secured against Fixed Deposit Receipt		

Total	24729	20104
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Schedule to Accounts

SCHEDULE - 4 : FIXED ASSETS

Amount (Rs.'000)

Assets	Gross Block at cost / Revalued at cost				Depreciation			Net Block		
	As at 1st Apr-08	Additions	Disposals/ Impairment	As at 31st Mar-09	As at 1st Apr-08	Disposals/ Impairment	For the Year	As at 31st Mar-09	As at 31st Mar-09	As at 31st Mar-08
Freehold Land	11928	0	0	11928	0	0	0	0	11928	1192
Buildings	50182	0	0	50182	31993	0	1052	33045	17137	18189
Plant and Machinery	367086	56408	28245	395249	233525	25270	15690	223945	171304	133561
Furniture and Fittings	6520	567	0	7087	5361	0	345	5706	1381	1159
Electrical Installations	1948	0	0	1948	1823	0	12	1835	113	125
Vehicles	776	0	0	776	737	0	0	737	39	39
Total	438440	56975	28245	467170	273439	25270	17099	265268	201902	165001
Previous Year	400848	46923	9331	438440	265176	7938	16202	273439	165001	

Notes : Freehold Land, Buildings, Plant & Machinery and Electrical Installations were revalued on 31.03.93 by an approved valuer at the then net replacement cost. The appreciation in value of these assets over their book value has been credited to Revaluation Reserve.





Schedule to Accounts

Amount (Rs.'000)

	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE - 5: INVESTMENTS		
Long Term :		
In Government Securities - NSC	3	3
Total	3	3

SCHEDULE - 6 : INVENTORIES

(As per stocks taken, valued and certified by management)

Stores & Spare Parts	20671	15513
Loose Tools	63	48
Raw Materials	28961	22666
Stock in Process	45575	55161
Finished Goods (including in transit)	48614	48411
Total	143884	141799

SCHEDULE - 7 : SUNDRY DEBTORS (Unsecured)

Debts outstanding for a period exceeding six months

Considered good	310	125
Considered doubtful	1306	1306
Other Debts (Considered Good)	106211	85771
	107827	87202
Less: Provision for doubtful debts	1306	1306
Total	106521	85896

SCHEDULE - 8 : CASH & BANK BALANCES

Cash and Cheques in Hand	504	660
Remittances in Transit	2512	3543
Balances with Scheduled Banks in		
Current Account	2833	214
Margin Deposit Account	2153	2153
Other Deposit Account*	77946	77489
Unpaid Dividend Account	1059	972
Unpaid Debenture Interest Account	34	102
Unpaid Debenture Redemption Account	195	313
9% Preference Shares Redemption Account	2418	1453
Total	89654	86899

* includes a Fixed Deposit of Rs.64.56 lacs (Prev. Year Rs.60.00 lacs) on which charge has been created for availing overdraft facility from a bank.



Schedule to Accounts

Amount (Rs.'000)

	As at 31 st March 2009	As at 31 st March 2008
SCHEDULE - 9 : LOANS AND ADVANCES (Unsecured)		
Considered Good		
Advances Recoverable in cash or in kind or for value to be received	6358	9969
Deposits with Government and other bodies	6503	5950
Total	12861	15919

SCHEDULE - 10 : CURRENT LIABILITIES

Dues to Micro and Small Enterprise (Refer Note no.7 of Notes to Accounts)	13298	0
Dues to creditors other than Micro and Small Enterprise	25075	52730
Other Liabilities	25266	24232
Unclaimed Dividend*	1059	972
Unclaimed Debenture Interest*	34	102
Unclaimed Debenture Redemption Account*	195	313
Unclaimed 9% Preference Share Redemption Account*	2418	1453
Total	67345	79802

*Amount not due for credit to the Investor Education and Protection Fund

SCHEDULE - 11 : PROVISIONS

Provision for Income tax (net of Advance Tax Rs.8,29,21/-, Previous year 6,22,64/-) thousands	1528	2611
Provision for Gratuity and Leave Encashment	5750	11254
Provision for Excise duty	1298	1298
Proposed Dividend on 9% Cumulative Preference Shares	0	603
Proposed Dividend on Equity Shares	10083	8066
Tax on Dividends	1714	1473
Provision for Fringe Benefit Tax	29	22
Total	20402	25327



Schedule to Accounts

Amount (Rs.'000)

	Year Ended 31 st March 2009	Year Ended 31 st March 2008
SCHEDULE - 12 : OTHER INCOME		
Miscellaneous Income	5017	6328
Foreign Exchange Gain	359	0
Interest Income (Gross) [Tax Deducted at source Rs.1,770/- (2007-08 - Rs.1,505/-) thousands]		
From Banks	8317	6945
From Others	<u>574</u>	<u>395</u>
	8891	7340
Total	14267	13668

SCHEDULE - 13 : RAW MATERIALS CONSUMED

Opening Stock	22666	24970
Add : Purchases	<u>315491</u>	<u>274755</u>
	338157	299725
Less : Closing Stock	28961	22666
Total	309196	277059



Schedule to Accounts

	Amount (Rs.'000)			
	Year Ended 31 st March 2009		Year Ended 31 st March 2008	
SCHEDULE - 14 : MANUFACTURING, ADMINISTRATIVE & OTHER OVERHEADS				
Staff Costs:				
Salaries, Wages and Bonus	58970		53834	
Contribution to Provident & Other Funds	7007		11983	
Workmen & Staff Welfare	<u>3721</u>	69698	<u>3605</u>	69422
Consumption of stores and spare parts		8699		7602
Excise Duty on Stock		2400		4721
Rates & Taxes		255		259
Power & Fuel		121624		113934
Effluent Expenses		2357		1783
Insurance		948		1041
Repairs:				
Building	1771		952	
Machinery	<u>21389</u>	23160	<u>15655</u>	16607
Audit fees & Expenses (see note below)		616		509
Freight and Delivery Charges		7298		7316
Selling Agents' Commission		3353		3100
Travelling		1399		1418
Directors' Fees		40		32
Rebate & Discount		2617		1241
Advertisement		453		470
Research & Development Expenses		691		720
Sundry Balances written off		53		65
Impairment Loss		2159		311
Interest paid/payable to SMEs		33		-
Miscellaneous Expenses		15058		12030
Total		262911		242581

Note : Audit Fees & Expenses

Audit Fees	418		380	
Tax Audit Fees	77		70	
Other matters	35		0	
Reimbursement of out of pocket expenses	<u>86</u>	616	<u>59</u>	509

SCHEDULE - 15 : FINANCE CHARGES

Interest to Bank		3026		1303
Bill Discounting Charges		1572		1557
Total		4598		2860



Schedule to Accounts

Amount (Rs.'000)

	Year Ended 31 st March 2009		Year Ended 31 st March 2008	
SCHEULE - 16 : (INCREASE) / DECREASE IN STOCKS				
Closing Stocks				
Finished Goods	48614		48411	
Stock in Process	<u>45575</u>	94189	<u>55161</u>	103572
Opening Stocks				
Finished Goods	48411		29299	
Stock in Process	<u>55161</u>	103572	<u>50495</u>	79794
Total		9383		(23778)



SCHEDULE 17 - NOTES ON ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2009****A Significant Accounting Policies****1 Basis of Accounting**

The financial statements are prepared on accrual basis of accounting and in accordance with the relevant provisions of the Companies Act, 1956 and in compliance with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006.

2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3 Fixed Assets

Freehold land, buildings, Plant and Machinery and Electrical Installations were revalued as at 31.3.93 by an approved valuer at the then net replacement cost and were stated accordingly.

Subsequent acquisitions of these assets and other fixed assets are stated at their purchase cost inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. Borrowing costs that are directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time till such assets are ready for the intended use are capitalized.

4 Depreciation

4.1 Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956.

4.2 Depreciation on certain Buildings acquired prior to 1st July 1986 is charged under Written Down Value method and on others under Straight Line method.

4.3 Being a continuous plant, Depreciation on Plant and Machinery has been charged @ 5.28% under Straight Line method on single shift basis excepting certain items acquired before 1st July, 1986, on which depreciation is charged under Written Down Value method. Depreciation on Diesel Generator sets is charged under Straight Line Method.

4.4 Depreciation on Electrical Installations and Furniture & Fixtures is charged under Written Down Value method.

4.5 Depreciation on Motor Vehicles is charged under Straight Line method.

4.6 In respect of revalued assets the incremental depreciation on account of revaluation is recouped from Revaluation Reserve.

5 Investments

Long term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.



SCHEDULE 17 - NOTES ON ACCOUNTS**6 Inventories**

Inventories are stated at cost (net of CENVAT credit) or net realisable value, whichever is lower. Cost is determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

7 Research and Development Expenses

All revenue expenditure on research and development is written off in the year it is incurred. Capital expenditure on research and development is included in fixed assets and depreciated as per policy.

8 Revenue Recognition

8.1 Sale of goods is recognised when the significant risk and rewards of ownership is transferred to the customers, net of returns. Sales represents invoiced value of goods supplied including excise duty but excluding sales tax.

8.2 Revenue recognition from sale of "Duty Entitlement Passbook Licence" is made on sale of the licence after receipt of the same from the office of the Director General of Foreign Trade.

9 Income from Investment

Income from Investment (other than investment in shares of companies), is accounted on an accrual basis. Income from investment in shares of companies is recognised as and when the right of recovery is established.

10 Foreign Currency Transactions

Transactions in foreign currency are recorded in Rupee by applying the rate of exchange prevailing on the date of transaction. Gain or loss on settled transactions is recognised in Profit & Loss Account. Unsettled transactions at the year end are translated at the closing rate and gain or loss is recognised in Profit & Loss Account.

11 Retirement benefits

Contributions to defined contribution schemes such as Pension, Provident Fund, etc. are charged to the Profit and Loss account as and when incurred. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Profit and Loss account based on valuations made by independent actuaries, as at the balance sheet date.

12 Income Tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets arising from timing differences on account of carry forward of losses and unabsorbed depreciation are recognized to the extent there is virtual certainty that these would be realized in future.

13 VRS Expenditure

VRS Expenses are fully charged off in the year of payment itself.


SCHEDULE 17 - NOTES ON ACCOUNTS
14 Impairment of Assets:

Impairment losses (if any) on fixed assets (including revalued assets) are recognized in accordance with the Accounting Standard 28 "Impairment of As-sets" issued in this regard by the Institute of Chartered Accountants of India.

15 Contingent Liabilities:

Provision is made in accounts unless no reliable estimate can be made of the amount of obligation or possibility of future cash flow is remote.

B Notes to Accounts

		Amount (Rs.'000)	
		As at 31.03.2009	As at 31.03.2008
1	Estimated amount of contract remaining to be executed on capital account not provided for	7,906	19,131
2	Contingent liability not provided for in respect of :		
	(a) Counter Guarantees to Bank	650	950
	(b) Bills discounted	5,171	16,475
	(c) Letter of Credit	10,751	2,000
	(d) Claims not acknowledged as debts :		
	(i) Excise Duty	48,563	76,708
	(ii) Income Tax	7,127	12,116
3	Stores consumed included under Workmen and Staff Welfare Rs.1,93,300 (2007-08 Rs.2,18,386), Repairs to Buildings Rs.Nil (2007-08 Rs.57,748), Repairs to Machinery Rs.1,43,20,299 (2007-08 Rs.1,02,76,280) and Miscellaneous Expenses Rs.17,08,825 (2007-08 Rs. 8,89,475).		
4	Management is of the opinion that all the Current Assets are realisable at the stated value in the normal course of business and provisions are made for all the expected liabilities.		
5	Certain Debit and Credit balances are subject to confirmation. Adjustments in this respect, if any, will be carried out as and when ascertained, which in view of the management would not be material.		
6	Excise Duty deducted from Gross sales represents the Excise Duty paid on the Goods removed from the Factory and is net of provisions of Excise duty on closing stock at factory.		
7	Dues to Micro & Small Enterprises		
	The amount payable to Micro & Small Enterprises has been disclosed in the balance sheet based on the information to the extent available with the company. The company has paid interest of Rs 0.20 lacs to the Micro and Small Enterprises during the year. The company has provided interest of Rs.0.13 lacs on the unpaid principal amount of Rs.13.43 Lac outstanding for more than 45 days.		
8	Employee Benefits		
	As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in		



SCHEDULE 17 - NOTES ON ACCOUNTS

the Accounting Standard are given below:

Defined Contribution Plans :

PROVIDENT FUND

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the Profit and Loss Account for the year:

(Rs. in Lac)

	Year ended 31.3.2009	Year ended 31.3.2008
Contribution to Provident Fund	38.21	34.67

Defined Benefit Plans :

- a. Gratuity
- b. Leave Encashment

Gratuity is payable to employees as per Payment of Gratuity Act. Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy. The company has funded the Gratuity liability with Group Gratuity Scheme of Life Insurance Corporation of India Ltd. The Leave encashment liability is not funded with any approved investing authority.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

GRATUITY

Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
Discount Rate per annum (Compound)	7.00%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected Rate of Return on Plan Assets	9.25%	8.50%
Expected Average remaining working lives of employees in no. of years	Officers -16.04 Staff -9.82	Officers -9.81 Staff - 11.61

**SCHEDULE 17 - NOTES ON ACCOUNTS****Summary of Key Information - Gratuity****i. Changes in Defined Benefit Obligation:**

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Present Value of obligation 01.04.2008	23109	24837
Interest Cost	1733	1918
Current Service Cost	1626	1056
Actuarial (Gain) / Loss	1621	(1362)
Benefits paid	(2899)	(3340)
Present Value of obligation as at 31.3.2009	25190	23109

ii. Changes in Fair Value of Plan Assets:

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Fair Value of Plan Assets as at 1.4.2008	14455	14219
Actual Return on Plan Assets	1695	1327
Employer Contribution	8654	2249
Actuarial Gain/Loss	100	0
Benefits Paid	(2899)	(3340)
Fair Value of Plan Assets as at 31.3.2009	22005	14455

iii. Reconciliation of the Present value of defined Present Obligations and the Fair Value of Assets:

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Present Value of obligations as at 31.3.2009	25190	23109
Fair Value of Plan Assets as at 31.3.2009	22005	14455
Funded Liability Recognised in Balance Sheet	0	0
Present Value of unfunded obligation as at 31.3.2009	3185	8654
Unrecognised Past Service	0	0
Unrecognised Actuarial (Gain) / Loss	0	0
Unfunded Net Liability recognised in Balance Sheet	3185	8654


SCHEDULE 17 - NOTES ON ACCOUNTS
iv. Expenses recognised in Profit and Loss Account

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Current Service Cost	1626	1056
Interest Cost	1733	1918
Net Acturial (Gain) / Loss	1521	(1362)
Actual Return on Plan Assets	(1695)	(1327)
Others	0	8369
Total Expenses recognised in Profit and Loss A/c	3185	8654

LEAVE ENCASHMENT

Particulars	As at 31.03.2009	As at 31.03.2008
Discount Rate per annum (Compound)	7.00%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected Rate of Return on Plan Assets	NA	NA
Expected Average remaining working lives of employees in no. of years	Officers -15.93 Staff – 9.87	Officers -15.16 Staff – 11.50

Summary of Key Information
i. Changes in Defined Benefit Obligation

Particulars	As at 31.03.2009	As at 31.03.2008
Present Value of obligation as at 1.4.2008	2599	2515
Interest Cost	204	205
Current Service Cost	937	131
Acturial (Gain) / Loss	(1076)	381
Benefits paid	(98)	(633)
Present Value of obligation as at 31.3.2009	2565	2599



**SCHEDULE 17 - NOTES ON ACCOUNTS****ii. Changes in Fair Value of Plan Assets**

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Fair Value of Plan Assets as at 1.4.2008	0	0
Actual Return on Plan Assets	0	0
Employer Contribution	0	0
Benefits Paid	0	0
Fair Value of Plan Assets as at 31.3.2009	0	0

iii. Reconciliation of the Present value of defined Present Obligations and the Fair Value of Assets

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Present Value of obligations as at 31.3.2009	2565	2599
Fair Value of Plan Assets as at 31.3.2009	0	0
Funded Liability Recognised in Balance Sheet	0	0
Present Value of unfunded obligation as at 31.3.2009	2565	2599
Unfunded Net Liability recognised in Balance Sheet	2565	2599

iv. Expenses recognised in Profit and Loss Account

(Rs.'000)

Particulars	As at 31.03.2009	As at 31.03.2008
Current Service Cost	937	131
Interest Cost	204	205
Net Actuarial (Gain) / Loss	(1076)	381
Others	756	618
Total Expenses recognised in Profit and Loss A/c	821	1335


SCHEDULE 17 - NOTES ON ACCOUNTS
9 Segment Information as per Accounting Standard (AS)-17

The company is engaged in the business of manufacture and sale of gelatine and its byproduct DCP for industrial applications which form part of one product group and hence a single business segment. However, based on geographical factors, reportable geographic segments have been identified as exports sales and domestic sales. The segmentwise information pertaining to the reportable geographical segments for the year ended 31st March, 2009 is as follows:

(Rs. '000)

Particulars	Export	Domestic	Total
Segment Revenue	28574	671478	700052
	(14331)	(554184)	(568515)
Segment Results	-2280	106079	103799
	(-3645)	(74245)	(70600)
Unallocated Expenditure			4598
			(2364)
Profit Before Tax			99201
			(68236)

Capital employed as also assets and liabilities of the company are not capable of being stated separately segment wise since all the assets and liabilities are held under composite undertaking for both the geographic segment.

10 Related Party Disclosure as per Accounting Standard (AS)-18:
(a) Enterprises where control exists:

Jumbo World Holdings Limited	-	Ultimate Holding Company
Dandvati Investments & Trading Co Pvt Ltd	-	Holding Company

All the companies in the group including those disclosed above are controlled directly / indirectly by the heirs of late Mr. M. R. Chhabria through Jumbo World Holdings Limited and its various subsidiary / associate companies.

(b) Other related parties with whom transactions have taken place during the period: NIL
(c) Other group companies:

- 1 Aasman Management Services Pvt Ltd
- 2 Alfamont (Mauritius) Ltd.
- 3 Alfamont Limited
- 4 Camry International Limited
- 5 Derby Electricals (India) Pvt Ltd
- 6 Gordon Woodroffe Agencies Pvt Ltd
- 7 Gordon Woodroffe Distilleries Ltd.
- 8 GWL Properties Ltd
- 9 Harshit Finlease & Investments Ltd.



**SCHEDULE 17 - NOTES ON ACCOUNTS**

10	Jerom Trading & Investment Ltd
11	Jumbo Electronics Company Ltd (LLC)
12	Jumbo Electronics Corporation Pvt Ltd
13	Jumbo Investments Ltd
14	Jumbo World Holdings (India) Ltd
15	L'Aquila Investments Company Pvt Ltd
16	Firestorm Electronics Corporation Pvt Ltd
17	MPIL Corporation Ltd
18	Orson Video (P) Ltd
19	Phonegarage.com India Pvt Ltd
20	Primo Enterprises Pvt Ltd.
21	SMN Engineers Ltd
22	Solvin International Ltd.
23	Tullis Woodroffe & Company Ltd

The above, though not required in terms of Accounting Standard 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, has been disclosed in view of the disclosure requirement of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in relation to inter-se transfer of shares amongst group companies.

(d) Key Management Personnel: Mr. Ashok Kapur, Whole Time Director

Particulars of transactions during the year ended 31st March, 2009:

(Rs.'000)

Nature of transactions	Holding / Ultimate Holding	Key Management Personnel Company	Associated / Group Companies	Total
Expenses Reimbursed	1555	Nil	372	1927
	(1845)	(Nil)	(Nil)	(1845)
Dividend paid	6050	Nil	Nil	6050
	(4537)	(Nil)	(Nil)	(4537)
Remuneration	Nil	2585	Nil	2585
	(Nil)	(2585)	(Nil)	(2585)
Outstanding as at year end	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)

Note: Figures in brackets represent the amount pertaining to previous year.


SCHEDULE 17 - NOTES ON ACCOUNTS
11 Earning per Share (EPS) as per Accounting Standard (AS)-21:

Particulars	Year ended 31.3.2009	Year ended 31.3.2008
Profit available for equity shareholders (Rs.585.62 (Prev. Year Rs. 434.47) Lac less Rs.1.85 (Prev. Year Rs. 6.09) Lac for Preference Dividend including dividend tax on preference dividend) (A)	Rs.583.77 Lac	Rs.427.41 Lac
Weighted average number of equity shares (B)	40,33,058	40,33,058
Nominal value of equity share	Rs 10	Rs 10
Earning per share (A/B)	Rs. 14.47	Rs. 10.60

12 The major components of deferred tax assets /liabilities, based on the tax effect of the timing differences are as under :

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Deferred Tax Assets		
Expenses not allowed as per Income Tax Act	8,71,842	17,60,667
VRS to be allowed under IT Act in future years	10,70,240	18,72,718
Provision for doubtful debts	4,43,923	4,43,923
	23,86,005	40,77,308
Deferred Tax Liability		
Depreciation difference	3,59,73,688	2,43,18,152
Net Deferred Tax Liability	3,35,87,683	2,02,40,844

The net increase in deferred tax liability of Rs.1,33,46,839 has been recognized during the year as deferred tax expense.

- 13** The company has identified the Gelatine manufacturing division as its cash-generating unit (CGU) as required by Accounting Standard 28 "Impairment of Assets" issued by The Institute of Chartered Accountants of India. There are no primary indications that the recoverable amount of CGU is less than its carrying cost. Accordingly, no detailed exercise has been done to calculate the amount of impairment loss. However, during the year ended 31st March 2009, the company has identified certain items of fixed assets as obsolete and impaired them and resultant loss of Rs.21.59 Lacs (Previous Year Rs.3.11 Lac) has been charged to Profit and Loss Account.


SCHEDULE 17 - NOTES ON ACCOUNTS
14 Capacity and Production

	Licensed Capacity (Tonnes)		Installed Capacity** (Tonnes)		Actual Production* (Tonnes)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Gelatine	3,000	3,000	2,400	2,400	2,308	2,250
Ossein	5,000	5,000	4,200	4,200	431	31
Dicalcium Phosphate	12,000	12,000	10,500	10,500	9,412	8,578
Bone Meal	3,600	3,600	2,500	2,500	443	689

* Exclusive of production for captive consumption of : (a) Di-calcium Phosphate 31MT (2007-08 - 43) , (b) Other Bone Products and after adjustment for crushing losses etc. 1,905 MT (2007-08 - 2,194) and inclusive of purchase of Gelatine of 163 MT (2007-08-189).

** Installed Capacity is as certified by the Management and is based on continuous process in respect of Gelatine, Ossein and Dicalcium Phosphate and on single shift basis in case of Bone Mill.

15 Raw Material Consumed

	Year ended 31st March, 2009		Year ended 31st March, 2008	
	Quantity (Tonnes)	Value Rs.'000	Quantity (Tonnes)	Value Rs.'000
Raw Bones	2,216	17,231	2,620	20,438
Crushed Bones	16,110	2,09,662	13,341	1,72,531
Hydrochloric Acid	20,407	32,412	17,159	29,469
Others		49,891		54,621
Total		3,09,196		2,77,059

16 Sales (Gross)

	Year ended 31st March, 2009		Year ended 31st March, 2008	
	Quantity (Tonnes)	Value Rs.'000	Quantity (Tonnes)	Value Rs.'000
Gelatine	2,296	4,90,316	2,118	4,52,416
Ossein	441	30,876	Nil	Nil
Dicalcium Phosphate	9,272	2,08,096	8,539	1,67,597
Bone Meal	474	2,452	700	3,501
Others		2,246		1,728
Total		7,33,986		6,25,242




SCHEDULE 17 - NOTES ON ACCOUNTS
17 Stocks

	Stock as on 1st April, 2007		Stock as on 1st April, 2008		Stock as on 31st March, 2009	
	Quantity Tonnes	Value Rs. '000	Quantity Tonnes	Value Rs. '000	Quantity Tonnes	Value Rs. '000
Gelatine	192	28,147	324	44,888	336	44,212
Ossein	2	92	33	2,009	23	1,545
Di-calcium Phosphate	84	762	123	1,264	263	2,720
Bone Meal	67	298	56	250	24	110
Others	Nil	Nil	Nil	Nil		27
Total		29,299		48,411		48,614

18 Value of raw materials, stores, spare parts, components consumed during the Year

	Year ended 31.3.2009		Year ended 31.3.2008	
	Rs. '000	%	Rs. '000	%
(a) Raw Materials:				
Indigenous	3,08,494	99.77	2,77,059	100
Imported	702	0.23	Nil	0
	3,09,196	100	2,77,059	100
(b) Stores, spare parts and Components (Refer Note 3) :				
Indigenous	24,921	100	19,044	100
Imported	Nil	0	Nil	0
	24,921	100	19,044	100

		Rs.'000	
		Year ended 31.3.2009	Year ended 31.3.2008
19	Value of imports (C.I.F. basis)	— Raw Materials	702 Nil
		— Components and spare parts	Nil Nil
20	Expenditure in foreign currency	— Travelling	65 198
		— Others	2,560 3,004



SCHEDULE 17 - NOTES ON ACCOUNTS

	Year ended <u>31.3.2009</u>	Rs.'000 Year ended <u>31.3.2008</u>
21 Earning in foreign exchange :		
Export of goods on F.O.B. basis	27,487	14,005
22 Managerial Remuneration :		
Salary	1,147	1,147
HRA	574	574
Allowances (excluding leave encashment)	444	444
Company's contribution to Provident and Superannuation Funds	138	138
Leave Encashment	32	32
Total	2,335	2,335
Other Benefits	250	250

The above amount is exclusive of gratuity benefits which are provided on the basis of annual premium charged by the LIC on an overall basis, subject to the maximum amount as prescribed in Income Tax rules.

23 Previous year's figures have been regrouped / rearranged wherever necessary.



Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

	1	6	0	2	3
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 State Code

1	0
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Balance Sheet Date

3	1
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0	3
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2	0	0	9
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Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Rights Issue																		
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						N	I	L											
						N	I	L											
Bonus Issue	Private Placement																		
<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L	<table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
						N	I	L											
						N	I	L											

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets		
<table border="1" style="width: 100%;"><tr><td style="text-align: center;">483301</td></tr></table>	483301	<table border="1" style="width: 100%;"><tr><td style="text-align: center;">483301</td></tr></table>	483301
483301			
483301			

Sources of Funds

Paid-up Capital	Reserves & Surplus		
<table border="1" style="width: 100%;"><tr><td style="text-align: center;">40338</td></tr></table>	40338	<table border="1" style="width: 100%;"><tr><td style="text-align: center;">384646</td></tr></table>	384646
40338			
384646			
Secured Loans	Unsecured Loans		
<table border="1" style="width: 100%;"><tr><td style="text-align: center;">24729</td></tr></table>	24729	<table border="1" style="width: 100%;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL
24729			
NIL			
Deferred Taxation			
<table border="1" style="width: 100%;"><tr><td style="text-align: center;">33588</td></tr></table>	33588		
33588			

Application of Funds

Net Fixed Assets	Investments		
<table border="1" style="width: 100%;"><tr><td style="text-align: center;">214127</td></tr></table>	214127	<table border="1" style="width: 100%;"><tr><td style="text-align: center;">3</td></tr></table>	3
214127			
3			
Net Current Assets	Misc. Expenditure		
<table border="1" style="width: 100%;"><tr><td style="text-align: center;">269171</td></tr></table>	269171	<table border="1" style="width: 100%;"><tr><td style="text-align: center;">NIL</td></tr></table>	NIL
269171			
NIL			



Balance Sheet Abstract and Company's General Business Profile (Contd.)

IV. Performance of the Company (Amount in Rs. Thousand)

Net Turnover	Total Expenditure
685785	600851
Other Income	Profit/(Loss) Before Tax
14267	99201
Profit/(Loss) After Tax	Earning per share in Rs.
58562	14.47
Dividend on Preference Shares Rate %	Dividend on Equity Shares Rate %
9%	25%

V. Genetic Names of Products / Services of the Company

Item Code No. (ITC Code)

3	5	0	3	0	0	2	0		
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Product Description

G	E	L	A	T	I	N	E								
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Item Code No. (ITC Code)

2	3	0	2	.	0	0		
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Product Description

D	I	C	A	L	C	I	U	M							
P	H	O	S	P	H	A	T	E							

For and on behalf of the Board

Mahesh Verma
Company Secretary

R.K.Raje
Director

A.Kapur
Director

Jabalpur 26th May, 2009



ATTENDANCE

Narmada Gelatines Limited

Registered Office: Room No. 28, 'CARAVS' Building, 15, Civil Lines, Jabalpur 482 001 (M.P.)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL, Joint shareholder may obtain additional Slip at the venue of the meeting.

DP Id*	
--------	--

Master Folio No.	
------------------	--

Client	Id
--------	----

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share (s) held:

I hereby record my presence at the 48th ANNUAL GENERAL MEETING of the Company held on Tuesday the 8th September 2009 at 12:30 pm at Hotel Narmada Jacksons, South Civil Lines, Jabalpur.

Signature of the Shareholder or Proxy

*Applied for investors holding shares in electronic form

----- TERE HERE -----

PROXY FORM

Narmada Gelatines Limited

Registered Office: Room No. 28, 'CARAVS' Building, 15, Civil Lines, Jabalpur 482 001 (M.P.)

DP Id*	
--------	--

Master Folio No.	
------------------	--

Client	Id
--------	----

I/We of being a member / members of Narmada Gelatines Limited hereby appoint or failing him appoint of as my/ our proxy to vote for me / us and on my / our behalf at the 48th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 8th September 2009 at 12:30 pm at Hotel Narmada Jacksons, South Civil Lines, Jabalpur, or at any adjournment thereof.

Signed this day of 2009

*Applied for investors holding shares in electronic form

- Note:-
1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding aforesaid meeting. The Proxy need not be a member of the Company.
 2. Members holding shares under more than one folio may use photocopy of this Proxy form for other folios. The Company shall provide additional forms on request.

If undelivered please return to
The Company Secretary
NARMADA GELATINES LIMITED
Caravs , Room No.28, 15, Civil Lines, Jabalpur - 482 001