



Reva Proteins Limited

CIN No. : U24295KL2009PLC024529

Annual Report 2015 - 16

BOARD OF DIRECTORS

Chairman	: SAJIV K. MENON
Directors	: M.R. KARMACHANDRAN
	: K. L. KUMAR
	: VIJAYAN MENON
	: K. MURALEEDHARAN NAIR
	: B. SHAJI MOHAN
Whole-Time Director	: N. TSUJI
Managing Director	: T. P. PHILIP
Chief Financial Officer	: N. V. Asokan
Secretary	: Aby Eapen
Auditors	: Varma & Varma Ernakulam
Bankers	: State Bank of India Commercial Branch Ernakulam
	: State Bank of India Station Road, Bharuch
Registered Office	: 54/1446, Panampilly Nagar, Kochi - 682 036
Factory	: Plot No. 832, GIDC Industrial Estate Jhagadia 393 110, Dist. Bharuch, Gujarat, India

CONTENTS.....

Board of Directors, etc.....	1
Directors' Report.....	2
Auditor's Report.....	15
Balance Sheet.....	20
Statement of Profit and Loss	21
Cash Flow Statement	22
Notes on Accounts.....	24

HOLDING COMPANY

NITTA GELATIN INDIA LTD. : P.B.No. 4262, 54/1446, Panampilly Nagar P.O., Kochi - 682 036

DIRECTORS' REPORT

To
The Shareholders,

Your Directors have pleasure in presenting their Seventh Annual report and the Audited Accounts of the Company for the year ended 31st March 2016.

FINANCIAL HIGHLIGHTS.

Rs. In Lakhs

	2015-16	2014-15
Profit /(Loss) before interest and depreciation	(481.02)	(366.40)
Less: Interest	203.57	152.73
Profit/(Loss) before depreciation	(684.59)	(519.13)
Less: Depreciation	256.58	294.79
Net Profit/(Loss) carried to Balance Sheet	(941.17)	(813.92)

REVIEW OF OPERATIONS

The Company continued to manufacture Limed Ossein, Ossein, Dicalcium Phosphate and 8% Dicalcium Phosphate on job work basis for Nitta Gelatin India Limited (NGIL), the holding company and processed 7786 MT of CB as against 5536 MT during the previous year. The Company incurred a loss of Rs 941.17 Lakhs as against Rs. 813.92 Lakhs in the previous year. The main reason for loss is the lower utilization of plant capacity in view of the restrictions in the quantum of discharge of treated effluent.

There has been further delay in commissioning of the marine pipeline for discharge of the treated effluent. In view of this, the Pollution Control Authorities have placed restrictions on the discharge of treated effluent generated from the production process on account of which the plant could be operated only at a lower level during the year under review. However, the construction of pipeline is in an advanced stage of completion as per information provided by the Narmada Clean Tech., the agency responsible for this project.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure I**.

DIRECTORS

1. The Board of Directors appointed Mr. Vijayan Menon as an Additional Director of the Company in the category of Independent Director with effect from 23rd September, 2016. Thereafter, at the Extraordinary General

Meeting (EGM) of the Company held on 31.01.2016, the Members of the Company appointed Mr. Vijayan Menon as Independent Director under the Companies Act, 2013 for a term running up to the conclusion of the AGM in the year 2019, not liable to retire by rotation. Mr. Vijayan Menon has given declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

2. Mr. Noriyuki Tsuji was appointed on 09th July, 2015 as Wholtime Director designated as Executive Vice-President (Technical).
3. Mr. Y. Morioka, Director resigned from the Board on 09.07.2015 consequent upon his nomination being withdrawn by Nitta Gelatin Inc. Your Directors place on record their sincere appreciation for the significant contribution made by Mr. Y. Morioka as the Director of the Company.
4. Under the provisions of the Articles of Association of the Company and as per the provisions of Section 152(6) of the Companies Act, 2013, 1/3rd of the total number of Directors who are liable to retire by rotation, are to retire at each Annual General Meeting. Accordingly, it is proposed that Mr. B. Shajimohan and Mr. K. Muraleedharan Nair, Directors, may retire at the 7th Annual General Meeting, and being eligible for re-appointment, offer themselves for re-appointment.

AUDIT COMMITTEE

The Company has a qualified and independent

Audit Committee of the Board confirming to the requirement of Section 177 of the Companies Act, 2013. The committee consists of three non-executive directors namely Mr. Vijayan Menon, Mr. K. L. Kumar & Mr. M. R. Karmachandran. The terms of reference of the Audit Committee sufficiently covers the requirements of Section 177 of the Companies Act, 2013 and include the overseeing of financial reporting process and development of financial information, ensuring the correctness of financial statements, reviewing with management, Internal and Statutory Auditors on the adequacy of Internal Control System, reviewing the Company's financial and risk management policies and reviewing the related party transactions.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee consists of three non-executive directors namely Mr. M. R. Karmachandran, Mr. K.L. Kumar & Mr. Vijayan Menon.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration, Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

MEETINGS OF BOARD OF DIRECTORS

During the year six Board Meetings, three Audit Committee Meetings and three Nomination and Remuneration Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Details of Related Party Transactions during 01.04.2015 to 31.03.2016 are furnished as **Annexure II** in Form AOC-2

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

Loan - NIL

Guarantee - NIL

Investment - 3,54,000 Equity Shares of Rs. 10/- each in M/s. Narmada Clean Tech Limited (previous year - 3,54,000 equity shares of Rs. 10/- each)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information as required under Section 134 of the Companies Act, 2013 read with Rule 8 (3) (A) of the Companies (Accounts) Rules, 2014 is annexed.

PARTICULARS OF EMPLOYEES

No Employees of the Company are in receipt of remuneration in excess of limits specified under Sub clause 2, Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year.

DIRECTORS RESPONSIBILITY STATEMENT

As per the provisions of Section 134(5) of the Companies Act, 2013 your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively.

AUDITORS

At the Annual General Meeting held on 09.07.2015, M/s. Varma & Varma, Chartered Accountants, Ernakulam were appointed by the shareholders to hold office for a term of five years till conclusion of the Annual General Meeting relating to the FY 2019-20, subject to ratification by the shareholders hereafter at every Annual General Meeting. Accordingly, a resolution is being proposed for ratification of their appointment by the shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government of Gujarat, Nitta Gelatin India Limited, the holding Company, Nitta Gelatin Inc., Japan, Kerala State Industrial Development Corporation Ltd. and the Company's Bankers for their co-operation and support. They also wish to acknowledge the valuable contribution of the employees of the Company at all levels.

For and on behalf of the Board,

Kochi
02.05.2016

Sajiv K. Menon
Chairman

ANNEXURE I

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U24295KL2009PLCO24529
(ii)	Registration Date	30.07.2009
(iii)	Name of the Company	Reva Proteins Limited
(iv)	Category/Sub Category of the Company	Public Company Limited by shares
(v)	Address of the Registered office and contact details	54/1446, Panampilly Nagar, Ernakulam, Kochi-682 036 0484 2317805,3099444
(vi)	Whether listed company Yes/No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are stated.

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service*	% to total turnover of the company
1	Manufacturing Ossein	20119	95.70

* As per National Industrial Classification Code 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Nitta Gelatin India Limited	L24299KL1975PLCO02691	HOLDING	74.55%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April, 2015]				No. of Shares held at the end of the year [As on 31st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	14060520	14060520	74.55	Nil	14060520	14060520	74.55	Nil

e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1)	Nil	14060520	14060520	74.55	Nil	14060520	14060520	74.55	Nil
(2) Foreign									
a) NRI(s) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporate	Nil	4800000	4800000	25.45	Nil	4800000	4800000	25.45	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2)	Nil	4800000	4800000	25.45	Nil	4800000	4800000	25.45	Nil
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	Nil	18860520	18860520	100	Nil	18860520	18860520	100	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	18860520	18860520	100	Nil	18860520	18860520	100	Nil

ii) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2015)			Share holding at the end of the year (As on 31st March, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nitta Gelatin India Limited	14060520	74.55	Nil	14060520	74.55	Nil	Nil
2	Nitta Gelatin Inc.	4800000	25.45	Nil	4800000	25.45	Nil	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nitta Gelatin India Limited				
a)	At the beginning of the year	14060520	74.55		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NO CHANGE		14060520	74.55
c)	At the end of the year			14060520	74.55
2.	Nitta Gelatin Inc.				
a)	At the beginning of the year	4800000	25.45		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NO CHANGE		4800000	25.45
c)	At the end of the year			4800000	25.45

iv) Shareholding Pattern of top ten Shareholders: NOT APPLICABLE (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NOT APPLICABLE			
	At the end of the year				

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sajiv K. Menon				
a)	At the beginning of the year	1	0%		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	1	0%
c)	At the end of the year	-	-	1	0%
2	Ramakrishnapillai Karmachandran Mudiyl				
a)	At the beginning of the year	-	-		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-		
3	Krishnapanicker Muraleedharan Nair				
a)	At the beginning of the year	1	0%		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NO CHANGE	-	1	0%
c)	At the end of the year	-	-	1	0%
4	Yasuo Morioka*				
a)	At the beginning of the year	-	-		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-		
5	Bhargaviamma Shajimohan				
a)	At the beginning of the year	1	0%		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	1	0%
c)	At the end of the year	-	-	1	0%
6	Philip Thundathil Philip				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-
7	Kumarapanicker Lalitha Kumar				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-

c)	At the end of the year	-	-	-	-
8	VijayanMenon**				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-
9	Noriyuki Tsuji***				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-
10	AbyEapen				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-

*Ceased w.e.f 09.07.15

**Appointed w.e.f 23.09.15

***Appointed w.e.f 09.07.15

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment
(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,12,45,832	-	-	13,12,45,832
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	131245832	-	-	13,12,45,832
Change in Indebtedness during the financial year				
* Addition				
* Reduction	1,24,95,832	-	-	1,24,95,832
Net Change	1,24,95,832	-	-	1,24,95,832
Indebtedness at the end of the financial year				
i) Principal Amount	11,87,50,000	-	-	11,87,50,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11,87,50,000	-	-	11,87,50,000

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director:

(In Rs.)

SN.	Particulars of Remuneration	Name of MD-Shri Philip Thundathil Philip*	Name of WTD-Shri Noriyuki Tsuji	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,677,600	1,287,585	2,965,185
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	31,547	-	31,547
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify..	-	-	-
5	Others, please specify	-	-	-
	Total (A)	1,709,147	1,287,585	2,996,732
	Ceiling as per the Act			42,00,000

B. Remuneration to other directors

(In Rs.)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Kumarapanicker Lalitha Kumar	Vijayan Menon				
	Fee for attending board committee meetings	27,000	18,000				45,000
	Commission	-	-	-			-
	Others, please specify	-	-	-			-
	Total (1)	27,000	18,000	-			45,000
2	Other Non-Executive Directors	Sajiv K. Menon	Bhargaviamma Shaji Mohan	Krishnapanicker Muraleedharan Nair	Ramakrishna Pillai Karmachandran Mudiylil	Yasuo Morioka *	Total Amount
	Fee for attending board committee meetings	-	-	-	39,000	-	39,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	39,000	-	39,000
	Total (B)=(1+2)	-	-	-	-	-	84,000
	Total Managerial Remuneration (A+B)	-	-	-	-	-	3,080,732*
	Overall Ceiling as per the Act						42,00,000

* including sitting fee

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel other than MD/Manager/WTD		Total
		CS (Aby Eapen)	CFO (Nindasthalath Venkiteswaran Asokan)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	459,474	696,345	1,155,819
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	459,474	696,345	1,155,819

* upto 31.12.2014

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		NONE			
Punishment		NONE			
Compounding		NONE			
B. DIRECTORS					
Penalty		NONE			
Punishment		NONE			
Compounding		NONE			
C. OTHER OFFICERS IN DEFAULT					
Penalty		NONE			
Punishment		NONE			
Compounding		NONE			

For and on behalf of the Board of Directors

 Kochi
02.05.2016

 Sajiv K. Menon
Chairman

Annexure II
Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

- (a) Name(s) of the related party and nature of relationship :
- (b) Nature of contracts/arrangements/transactions :
- (c) Duration of the contracts / arrangements/transactions :
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any :
- (e) Justification for entering into such contracts or arrangements or transactions :
- (f) date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangements or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship : Nitta Gelatin India Ltd., Holding company
- (b) Nature of contracts/arrangements/transactions : Processing of raw materials on job work basis
- (c) Duration of the contracts / arrangements/transactions : 01.04.2015 to 31.03.2016
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: (i) Processing charges - Rs. 650.20 Lakhs (Cost + 10% subject to maximum of Market Price)
- (e) Date(s) of approval by the Board, if any : 29.04.2015
- (f) Amount paid as advances, if any: NIL
- (g) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: 09.07.2015

For and on behalf of the Board,

Kochi
02.05.2016

Sajiv K. Menon
Chairman

ANNEXURE III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

I. Conservation of Energy

(a) Energy Conservation Measures Taken

1. Installation of additional Capacitor panel for keeping the power factor to 0.99 thereby reducing power consumption at increased loads.

(b) Proposal for energy saving during the Year 2016 -17

1. Using treated effluent in CB charging to reduce water consumption and there by reducing the running time of second fresh water pump.

II (a) Technology Absorption

The technology for Ossein, Limed Ossein and Di-Calcium Phosphate is being updated to be in line with Nitta Gelatin India Standards and efforts are being put in continuously towards technology upgradation.

(b) Expenditure on R&D

NIL

III. Foreign Exchange Earnings and Outgo

NIL

IV. FORM 'A'

Form for disclosure of particulars with respect to conservation of energy.

FORM 'A'
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY

	Current year 2015-2016	Previous year 2014-2015
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Units (KWH in Lacs)	33.35	28.90
Total Amount (Rs. in lacs)	233.08	196.41
Rate/Unit (Rs.)	6.99	6.80
(b) Own generation		
Through Diesel Generator Units (KWH in lacs)	-	-
Unit per litre of diesel oil	-	-
Cost per unit (Rs.)	-	-
2 Coal/Lignite		
Quantity (in MT)	1,680.380	1,857.340
Total cost (Rs. in lacs)	72.54	71.49
Average Rate (Rs./MT)	4,317	3,849
B Consumption per unit of Production:		
Product - Ossein		
1 Electricity (KWH) Per MT	1,875.00	2,118.28
2 Coal / Lignite (MT) Per MT	1.02	1.32
Product- Di - Calcium Phosphate		
1 Coal / Lignite (MT) Per MT	0.900	0.939

INDEPENDENT AUDITOR'S REPORT

To the Members of Reva Proteins Limited, Kochi

Report on the Financial Statements

We have audited the accompanying financial statements of Reva Proteins Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 2.07.02 to the financial statements which states that in view of the business plans of the company, which is expected to bring in positive cash flows in the near future, the management is of the opinion that there is no impairment in the value of the fixed assets of the company at this stage.

Our opinion is not modified in respect of this matter

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be

included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For VARMA AND VARMA
(FRN : 004532S)

(GOPI. K)
Partner

Place: Kochi-19
Date: 02-05-2016

CHARTERED ACCOUNTANTS
Membership No. 214435

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF REVA PROTEINS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) We are informed that the fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us, the records of the company examined by us and the confirmation from financial lender in respect of title deeds deposited with them, we report that the lease deeds/ title deeds of immovable properties are held in the name of the Company except in respect of 12,486.25 square metres of leasehold land at Jhagadia Industrial Estate, Bharuch District, Gujarat (Gross Book Value of Rs 79,09,260/- and Net Book Value of Rs 74,29,911/-) as stated in Note No 2.07.01 to the financial statements.
2. We are informed that the physical verification of inventory has been conducted at reasonable intervals by the management and that no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us and the records of the company examined by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the reporting requirements under clauses (iii) (a) to (c) of paragraph 3 of the Order are not applicable.
4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of section 186 of the Act in respect of investments. The company has not granted any loans or given any security or guarantee for which the provisions of sections 185 and 186 of the Act are applicable.
5. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provision of the Act

- and the rules framed thereunder are not applicable.
6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company at this stage.
 7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues, as applicable to the Company to the appropriate authorities during the year. There are no arrears of undisputed statutory dues outstanding as on the last day of the financial year for a period of more than six months from the date on which they become payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed amounts of taxes and duties outstanding to be deposited with appropriate authorities as at March 31, 2016.
 8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to the financial institutions or banks. The company has neither taken any loans or borrowings from government nor has any dues to debenture holders.
 9. According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the term loans availed by the company have been applied for the purpose for which the loans were obtained.
 10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.
 11. As stated in Note No 2.23.01 to the financial statements, Remuneration to Whole Time Director includes Rs 6,78,343/- provided towards Reimbursement of Social Security Pension Insurance Cost and Health Insurance Cost, which is subject to approval of the Shareholders under the Act which is being sought for at the ensuing Annual General Meeting. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
 12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
 13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Note No 2.23 to the financial statements as required by the applicable accounting standard.
 14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.
 15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
 16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

For VARMA AND VARMA
(FRN : 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

Place: Kochi -19
Date: 02-05-2016

ANNEXURE A REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF REVA PROTEINS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Reva Proteins Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained

and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VARMA AND VARMA
(FRN : 004532S)

Place: Kochi -19
Date: 02-05-2016

(GOPI. K)
Partner
CHARTERED ACCOUNTANTS
Membership No. 214435

REVA PROTEINS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	2.01	313,605,200	188,605,200
b) Reserves and Surplus	2.02	(74,830,951)	19,286,023
2. Non-Current Liabilities			
a) Long Term Borrowings	2.03	213,988,615	106,245,832
b) Long Term Provisions	2.04	765,383	453,803
3. Current Liabilities			
a) Trade Payables	2.05	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,888,018	6,103,946
b) Other Current Liabilities	2.06	21,608,341	73,577,352
TOTAL		484,024,606	394,272,156
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets	2.07		
i. Tangible Assets		359,479,690	364,806,454
ii. Capital Work-in-progress		14,109,090	3,881,775
iii. Intangible assets under development		1,688,947	-
b) Non Current Investments	2.08	3,540,000	3,540,000
c) Long Term Loans and Advances	2.09	20,901,042	17,612,830
2. Current Assets			
a) Inventories	2.10	3,195,559	2,874,200
b) Trade Receivables	2.11	5,658,376	-
c) Cash and Cash Equivalents	2.12	74,248,534	845,527
d) Short Term Loans and Advances	2.13	737,489	471,643
e) Other Current Assets	2.14	465,879	239,727
TOTAL		484,024,606	394,272,156

Significant Accounting Policies and Notes on Accounts 1&2

The accompanying notes are an integral part of financial statements

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA (FRN: 004532S) (GOPI. K) Partner CHARTERED ACCOUNTANTS Membership No. 214435	SAJIV K. MENON Chairman DIN : 00168228 NORIYUKI TSUJI Director DIN : 07189371 K. MURALEEDHARAN NAIR Director DIN : 02421663	T. P. PHILIP Managing Director DIN : 00008636 M. R. KARMACHANDRAN Director DIN : 00164106 B. SHAJI MOHAN Director DIN : 03409101	VIJAYAN MENON Director DIN : 01141134 K. L. KUMAR Director DIN : 00004804
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Place: Kochi
Date: 02.05.2016

N. V. ASOKAN
Chief Financial Officer

ABY EAPEN
Company Secretary

REVA PROTEINS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Note No.	For the year ended 31.3.2016 Rupees	For the year ended 31.3.2015 Rupees
INCOME			
I. Revenue from Operations	2.15	65,020,090	77,266,500
II. Other Income	2.16	2,920,751	641,769
III. Total Revenue		67,940,841	77,908,269
IV. EXPENSES:			
a. Employee Benefits Expense	2.17	17,260,329	11,631,118
b. Finance Costs	2.18	21,563,143	15,272,794
c. Depreciation and Amortisation Expense	2.07	25,657,760	29,478,450
d. Other Expenses	2.19	97,576,583	92,388,491
Total Expenses		162,057,815	148,770,853
V. Loss before exceptional item and tax (III-IV)		(94,116,974)	(70,862,584)
VI. Exceptional Item	2.20	-	10,529,864
VII. Loss before tax (V-VI)		(94,116,974)	(81,392,448)
VIII. Tax Expense:			
Current Tax		-	-
IX. Loss for the Period (VII-VIII)		(94,116,974)	(81,392,448)
X. Earnings per Equity share (Rs.)			
Nominal value of share Rs. 10/- (Rs. 10/-)			
- Basic/ Diluted	2.21	(4.99)	(4.32)

Significant Accounting Policies and Notes on Accounts 1&2

The accompanying notes are an integral part of financial statements

As per our separate report of even date attached

For and on behalf of the Board of Directors

 For VARMA AND VARMA
(FRN: 004532S)

 (GOPI. K)
Partner

 CHARTERED ACCOUNTANTS
Membership No. 214435

 SAJIV K. MENON
Chairman
DIN : 00168228

 NORIYUKI TSUJI
Director
DIN : 07189371

 K. MURALEEDHARAN NAIR
Director
DIN : 02421663

 T. P. PHILIP
Managing Director
DIN : 00008636

 M. R. KARMACHANDRAN
Director
DIN : 00164106

 B. SHAJI MOHAN
Director
DIN : 03409101

 VIJAYAN MENON
Director
DIN : 01141134

 K. L. KUMAR
Director
DIN : 00004804

 Place: Kochi
Date: 02.05.2016

 N. V. ASOKAN
Chief Financial Officer

 ABY EAPEN
Company Secretary

REVA PROTEINS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	For the year ended 31.03.2016 Rupees	For the year ended 31.03.2015 Rupees
A. Cash Flows from Operating Activities		
Net Profit / (Loss) before Tax and extraordinary items	(94,116,974)	(81,392,448)
Adjustments for :		
Depreciation	25,657,760	29,478,450
Interest income	(2,766,301)	(357,711)
Interest Expense	21,563,143	15,272,794
	<u>44,454,602</u>	<u>44,393,533</u>
Operating Profit / (Loss) before Working Capital Changes	(49,662,372)	(36,998,915)
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	(9,052,988)	33,713,173
(Increase)/Decrease in Inventories	(321,359)	1,877
Increase/(Decrease) in Trade/ other payables	(32,951,113)	48,599,346
	<u>(42,325,460)</u>	<u>82,314,396</u>
Cash generated from / (Used in) Operations	(91,987,832)	45,315,481
Direct taxes paid	1,223,180	288,206
Cash Flow Before Extraordinary Items	(90,764,652)	45,603,687
Extraordinary Items	-	-
Net Cash from/(used) in Operating Activities(A)	(90,764,652)	45,603,687
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(32,116,417)	(7,836,374)
Interest Received	2,540,149	535,746
Net Cash from/(used) in Investing Activities(B)	(29,576,268)	(7,300,628)
C. Cash Flows from Financing Activities		
Proceeds from Issue of Share Capital	125,000,000	-
Interest Paid	(21,251,870)	(15,272,794)
Increase/(Decrease) in borrowings	89,995,797	(25,004,168)
Net Cash from/(used) in Financing Activities (C)	193,743,927	(40,276,962)

Summary

(A)Net Cash from/(used) in Operating Activities	(90,764,652)	45,603,687
(B)Net Cash from/(used) in Investing Activities	(29,576,268)	(7,300,628)
(C)Net Cash from/(used) in Financing Activities	193,743,927	(40,276,962)
Net Increase/(Decrease) in Cash Equivalents	73,403,007	(1,973,903)
Cash and Cash Equivalents at beginning of the year	845,527	2,819,430
Cash and Cash Equivalents at the end of the year	74,248,534	845,527
	73,403,007	(1,973,903)

Note:

- Cash and cash equivalents at the end of the year includes deposit of Rs Nil (Rs 500,000/-) held under lien, which is not available for the immediate use as on the Balance Sheet date.

The accompanying notes are an integral part of financial statements

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

SAJIV K. MENON
Chairman
DIN : 00168228

NORIYUKI TSUJI
Director
DIN : 07189371

K. MURALEEDHARAN NAIR
Director
DIN : 02421663

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Managing Director
DIN : 00008636

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B. SHAJI MOHAN
Director
DIN : 03409101

VIJAYAN MENON
Director
DIN : 01141134

K. L. KUMAR
Director
DIN : 00004804

Place: Kochi
Date: 02.05.2016

N. V. ASOKAN
Chief Financial Officer

ABY EAPEN
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

1 Significant Accounting Policies

a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

c) Revenue Recognition

Income from job charges is recognised on completed service method.

d) Fixed Assets

Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less accumulated depreciation. Impairment in value of assets, if any determined, is adjusted.

e) Depreciation

- 1) a) Depreciation on Plant and Machinery (other than Service Equipment) is provided on Straight Line Method.
b) Depreciation on Service Equipment and Other Assets is provided on Written Down Value Method.
c) The useful life of fixed assets adopted are as prescribed under Schedule II of the Companies Act, 2013.
- 2) Lease Premium on Land is amortised over the period of lease.
- 3) Cost of software treated as Intangible Assets is amortised over a period of five years.

f) Investments

Non Current Investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

g) Inventories

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The net realizable value of bought out inventories is taken at their current replacement value

h) Employee Benefits :

i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

ii) Defined Contribution Plans

The company has defined contribution plan for employees, i.e. for Provident Fund. The contributions paid/payable to this plan during the year are charged to the Statement of Profit and Loss for the year.

iii) Defined Benefit Plans: Gratuity

The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost, if any, is recognized in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

iv) Long Term Employee Benefits: Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

v) Termination Benefits

Termination benefits are recognized in the Statement of Profit and Loss for the period in which the same accrue.

i) Income Tax

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets / liabilities representing timing differences between accounting income and taxable income are recognized to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognized if there is a virtual certainty that sufficient future taxable income will be available to realize the same.

j) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure for the period in which they are incurred.

k) Earnings per share

Basic/diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/diluted potential equity shares outstanding as at the end of the year, as the case may be.

l) Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation..

Contingent assets are neither recognised nor disclosed in the accounts.

2 Notes on Accounts**2.01 Share Capital**

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Authorised:		
20,000,000(20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
20,000,000 (Nil) Optionally Convertible Non-Cumulative Preference Shares of Rs.10/- each	200,000,000	-
	400,000,000	200,000,000
Issued and Subscribed and fully paid:		
18,860,520 (18,860,520) Equity Shares of Rs.10/- each	188,605,200	188,605,200
12,500,000 (Nil) 6% Optionally Convertible Non-Cumulative Preference Shares Rs.10/- each	125,000,000	-
	313,605,200	188,605,200

Reconciliation of shares outstanding at the beginning and at the end of the financial year**1. Equity Shares**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
No. of shares as at the beginning of the financial year	18,860,520	188,605,200	18,860,520	188,605,200
No. of shares as at the end of the financial year	18,860,520	188,605,200	18,860,520	188,605,200

2. Preference Shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
No. of shares as at the beginning of the financial year	-	-	-	-
Add : Shares issued during the year	12,500,000	12,500,000	-	-
No. of shares as at the end of the financial year	12,500,000	12,500,000	-	-

Particulars of Shareholders holding more than 5% share in the Company

1. Equity Shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	%	No. of shares	%	No. of shares
Nitta Gelatin India Limited,Holding Company	74.55	14,060,520	74.55	14,060,520
Nitta Gelatin Inc., Japan	25.45	4,800,000	25.45	4,800,000

2. Preference Shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	%	No. of shares	%	No. of shares
Nitta Gelatin India Limited,Holding Company	100.00	12,500,000	-	-

Particulars of shares held by Holding Company

Particulars	As at 31.03.2016	As at 31.03.2015
	(Rupees)	(Rupees)
Nitta Gelatin India Limited,Holding Company		
14,060,520 (14,060,520) Equity Shares of Rs.10/- each	140,605,200	140,605,200
12,500,000 (Nil) 6% Optionally Convertible Non-Cumulative Preference Shares Rs.10/- each	125,000,000	-

Terms/ Rights attached to Equity Shares

The company has only one class of equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders

Terms/ Rights attached to Preference Shares

The company has issued only one class of Optionally Convertible Non-Cumulative Preference Shares with a face value of Rs. 10/- each. Each holder of Preference share is entitled to one vote per share on a resolution placed before the Company, which directly affect the rights attached to Preference share holders. Each holder of Preference share is entitled to preferential right to a fixed dividend of 6% per annum on the face value of Preference Shares, on a non-cumulative basis. The preference shares shall be convertible into equal number of equity shares of Rs 10/- each within six years from the date of allotment (i.e 23.03.2016), in one or more financial years, at a price of Rs 10/- each. All outstanding Optionally Convertible Non-Cumulative Preference Shares, which are not converted into equity shares at the end of sixth year from the date of allotment (i.e within 23.03.2022) shall be redeemable at par in two equal tranches respectively at the end of 7th and 8th year commencing from the date of allotment of Optionally Convertible Non-Cumulative Preference Shares..

2.02 Reserves and Surplus

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Securities Premium	215,407,800	215,407,800
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(196,121,777)	(114,729,329)
Loss for the year as per Statement of Profit and Loss	(94,116,974)	(81,392,448)
Closing Balance	(290,238,751)	(196,121,777)
	(74,830,951)	19,286,023

2.03 Long Term Borrowings

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Secured Loans		
- Term Loans		
- From banks (Refer Note 2.03.01 and 2.03.02)	10,638,615	-
- From other parties (Refer Note 2.03.01 and 2.03.02)	113,350,000	106,245,832
Unsecured Loans		
- Loans and Advances From Related Party		
Nitta Gelatin Inc. Japan (Refer Note 2.03.03)	90,000,000	-
	213,988,615	106,245,832

2.03.01 Current Maturities of Long term debt are mentioned under the head ' other current liabilities'

2.03.02 Particulars of Security and Terms of Repayment.

Name of the Lender	Security	Repayment terms
From Banks - HDFC Bank Limited	“1) Exclusive first charge over the fixed assets financed out of the term loan. 2) Second charge over the existing fixed assets of the company. 3) Corporate Guarantee of the Holding Company - M/s. Nitta Gelatin India Limited.”	“Loan is repayable in 72 equal monthly installments including 10 months of moratorium for the principal as stated below: 1) 10th to 12th Installments : Rs 116,667/- commencing from 07.03.2016 to 07.05.2016. 2) 13th to 71st Installments : Rs 273,029/- commencing from 07.06.2016 to 07.04.2021. 3) Final Installment of Rs 54,185/- on 07.05.2021. Interest rate is Base Rate + 1.5% per annum (Effective rate as on 31.3.2016 is 10.80% p.a)”
From other parties - Kerala State Industrial Development Corporation Limited	“1) The loan is secured by exclusive first charge over the entire fixed assets of the company including leasehold assets, both present and future; 2) Corporate Guarantee of the Holding Company - M/s. Nitta Gelatin India Limited.”	“The repayment schedule was revised during the year as stated below: 1) Principal amount is repayable in 21 quarterly installments of Rs 5,400,000/- each starting from 11.03.2017 onwards and last installment of Rs 5,350,000/- on 11.06.2022. 2) Interest is payable as and when applied Interest rate is 10.50% p.a”

2.03.03 Details of Unsecured Loan-Terms of repayment

The terms of repayment are as follows: Principal-20 Equal Quarterly installments of Rs 4,500,000/- each on 15th of September, December, March and June commencing from 15.09.2018. Interest is payable on quarterly basis along with principal. The interest rate is 6 months USD LIBOR Rate + 5.00 % p.a

2.04 Long-term Provisions

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Provision for Employee benefits (Refer Note 2.04.01)	765,383	453,803
	765,383	453,803

2.04.01 Disclosures required under Accounting Standard 15 - “Employee Benefits”

a. Defined Contribution Plan

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

Particulars	Current Year (Rupees)	Previous Year (Rupees)
Employers contribution to Provident Fund	750,839	544,906

b. Defined Benefit Plan

Gratuity – Unfunded Obligation

i Actuarial Assumptions	Current Year	Previous Year
Discount Rate (per annum)	8.0%	8.0%
Salary escalation rate*	5.0%	5.0%
Attrition rate	1.92%	1.92%
Mortality rate	IALM (1994-1996) Ultimate	IALM (1994-1996) Ultimate

* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii Reconciliation of present value of obligations	Current Year (Rupees)	Previous Year (Rupees)
Present value of obligation at beginning of the year	256,485	271,959
Current Service Cost	108,655	79,441
Past Service Cost	-	-
Interest Cost	24,865	24,934
Actuarial (gain)/loss	41,117	(119,849)
Benefits Paid	-	-
Present value of obligation at the end of the year	431,122	256,485

iii Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2015-16 (Rupees)	2014-15 (Rupees)	2013-14 (Rupees)	2012-13 (Rupees)
Present value of obligations at the end of the year	431,122	256,485	271,959	150,166
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	431,122	256,485	271,959	150,166

iv Expenses recognised in the Statement of Profit and Loss	Current Year (Rupees)	Previous Year (Rupees)
Current Service Cost	108,655	79,441
Interest Cost	24,865	24,934
Actuarial (gain) / loss recognised in the period	41,117	(119,849)
Past Service Cost	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	174,637	(15,474)

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

c. Long Term Employee Benefits

Compensated absences (Vesting and Non Vesting): Unfunded Obligation

i Actuarial Assumptions	Current Year	Previous Year
Discount Rate (per annum)	8.0%	8.0%
Salary escalation rate*	5.0%	5.0%
Attrition rate	1.92%	1.92%
Expected rate of return on Plan Assets	-	-

* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii Reconciliation of present value of obligations	Current Year (Rupees)	Previous Year (Rupees)
Present value of obligation at beginning of the year	197,318	262,361
Current Service Cost	168,004	126,954
Interest Cost	22,506	26,067
Actuarial (gain)/loss	(44,745)	(87,607)
Benefits Paid	(8,822)	(130,457)
Present value of obligation at the end of the year	334,261	197,318

iii Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2015-16 (Rupees)	2014-15 (Rupees)	2013-14 (Rupees)	2012-13 (Rupees)
Present value of obligations at the end of the year	334,261	197,318	262,361	129,601
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	334,261	197,318	262,361	129,601

iv Expenses recognised in the Statement of Profit and Loss	Current Year (Rupees)	Previous Year (Rupees)
Current Service Cost	168,004	126,954
Interest Cost	22,506	26,067
Expected return on plan assets	-	-
Actuarial (gain) / loss recognised in the period	(44,745)	(87,607)
Past Service Cost	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	145,765	65,414

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

2.05 Trade payables

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,888,018	6,103,946
	8,888,018	6,103,946

2.05.01 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Based on available information, there are no balances outstanding as payable to such suppliers at the year end. In the opinion of the management there are no amounts paid / payable towards interest under the said statute.

2.06 Other Current Liabilities

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Current maturities of long term debt (Refer Note 2.03.01)	7,253,014	25,000,000
Interest accrued but not due on borrowings	311,273	-
Other Payables:		
Advance from Customers	-	36,999,221
Claim payable towards materials damaged in processing	10,529,864	10,529,864
Statutory dues	731,711	105,301
Deposits	670,184	344,138
Creditors for capital assets	2,112,295	598,828
	21,608,341	73,577,352

Note 2.07 - FIXED ASSETS & CAPITAL WORK IN PROGRESS

(Amount in Rs.)

Particulars	Gross Block (at cost)				Depreciation			Net Block	
	As at 01.04.2015	As at 31.03.2016	As at 01.04.2015	As at 31.03.2016	For the year	Disposals/ Adjust ments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
FIXED ASSETS:									
(i) Tangible Assets									
Lease hold Land (Refer Note No 2.07.01)	61,219,210	61,219,210	3,329,008	3,947,384	618,376	-	3,947,384	57,271,826	57,890,202
Building	(61,219,210)	(61,219,210)	(2,710,632)	(3,329,008)	(618,376)	-	(3,329,008)	(57,890,202)	(58,508,578)
Plant and Equipment	125,368,591	139,564,924	39,048,638	50,797,803	11,749,165	-	50,797,803	88,767,121	86,319,953
Office Equipment	(124,770,389)	(125,368,591)	(23,048,082)	(39,048,638)	(16,000,556)	-	(39,048,638)	(86,319,953)	(101,722,307)
Furniture and Fixtures	312,259,834	316,006,612	92,462,726	104,991,848	12,529,122	-	104,991,848	211,014,764	219,797,108
	(309,213,273)	(312,259,834)	(80,173,648)	(92,462,726)	(12,289,078)	-	(92,462,726)	(219,797,108)	(229,039,626)
	1,367,415	2,882,914	894,565	1,444,648	550,083	-	1,444,648	1,438,266	472,850
	(941,282)	(1,367,415)	(409,626)	(894,565)	(484,939)	-	(894,565)	(472,850)	(531,656)
	768,163	1,640,549	441,822	652,836	211,014	-	652,836	987,713	326,341
	(562,821)	(768,163)	(356,321)	(441,822)	(85,501)	-	(441,822)	(326,341)	(206,500)
TOTAL	500,983,213	521,314,209	136,176,759	161,834,519	25,657,760	-	161,834,519	359,479,690	364,806,454
PREVIOUS YEAR	(496,706,975)	(500,983,213)	(106,698,309)	(136,176,759)	(29,478,450)	-	(136,176,759)	(364,806,454)	(390,008,667)
(ii) Capital Work in progress									
Improvements to Leasehold land	-	269,075	-	-	-	-	-	269,075	-
Building under Construction	-	3,440,308	-	-	-	-	-	(1,551,789)	(851,380)
Plant and Equipment under Installation	3,881,775	10,399,707	3,881,775	(3,881,775)	-	-	-	10,399,707	3,881,775
	(1,551,789)	(3,881,775)	(1,551,789)	(3,881,775)	-	-	-	(3,881,775)	(1,551,789)
TOTAL	3,881,775	14,109,090	3,881,775	14,109,090	-	-	-	14,109,090	3,881,775
PREVIOUS YEAR	(1,551,789)	(3,881,775)	(1,551,789)	(3,881,775)	-	-	-	(3,881,775)	(1,551,789)
(iii) Intangible assets under development									
Software	-	1,688,947	-	-	-	-	-	1,688,947	-
	-	-	-	-	-	-	-	-	-

2.07.01 Represents lease premium paid to M/s. Gujarat Industrial Development Corporation (GIDC) towards acquiring leasehold rights for a period of 99 years in respect of 89,182.84 square metres of land allotted to and taken possession of by the company at Jhagadia Industrial Estate, Bharuch District, Gujarat. Out of this, GIDC has executed lease agreements in respect of 76,696.59 square meters of land and in respect of the balance area of 12,486.25 square metres (Gross Book Value of Rs 79,09,260/- and Net Book Value of Rs 74,29,911/-), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

2.07.02 In view of business plans of the company, which is expected to bring in positive cash flows in the near future, the management is of the opinion that, there is no impairment in the value of the fixed assets of the company within the meaning of Accounting Standard - 28 on Impairment of Assets, as notified by Companies (Accounting Standards) Rules, 2006.

2.07.02 Estimated amount of contracts remaining to be executed on capital account and not provided for:- Rs 13,241,504/- (Rs 89,000/)

2.08 Non current investments

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Investment in Equity Instruments (at Cost)-Long Term: (Unquoted, trade) Narmada Clean Tech Ltd. 354,000 (354,000) fully paid up equity shares of Rs 10/- each	3,540,000	3,540,000
Aggregate amount of unquoted investments	3,540,000	3,540,000

2.09 Long Term Loans and Advances

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
(Unsecured, Considered Good)		
Security Deposits	16,385,193	13,256,427
Capital Advance	1,382,626	-
Income Tax (Net)	3,133,223	4,356,403
	20,901,042	17,612,830

2.09.01 In terms of the Accounting Standard on Accounting for Taxes on Income (AS 22), deferred tax asset (net) has not been recognised in the accounts, as a matter of prudence, in the absence of virtual / reasonable certainty of future taxable profits.

2.10 Inventories

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Stores and Spares	3,064,376	2,769,754
Loose Tools	131,183	104,446
	3,195,559	2,874,200

2.10.01 Method of valuation of inventories - Refer 1 (g) of Significant Accounting Policies.

2.11 Trade Receivables

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
(Unsecured, Considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment.	-	-
Others		
- Due from Nitta Gelatin India Limited (Holding Company)	5,658,376	-
	5,658,376	-

2.12 Cash and Cash Equivalents

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Balances with banks:		
in current accounts	3,773,941	335,253
in deposit accounts	70,448,265	500,000
Cash on hand	26,328	10,274
	74,248,534	845,527

2.12.01 Cash and cash equivalents at the end of the year includes deposit of Rs Nil (Rs 500,000/-) held as security against bank guarantee.

2.12.02 Cash and cash equivalents at the end of the year includes balance with banks in deposit accounts with a maturity period of more than 12 months of Rs Nil (Rs Nil).

2.13 Short Term Loans and Advances

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	630,139	427,468
Deposits	107,350	44,175
	737,489	471,643

2.13.01 In the opinion of the Directors, Current Assets and Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

2.14 Other Current Assets

Particulars	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
Interest accrued on Deposits	465,879	239,727
	465,879	239,727

2.15 Revenue From Operations

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Sale of services		
Income from Job charges	65,020,090	77,266,500
	65,020,090	77,266,500

2.16 Other Income

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Interest Income	2,766,301	357,711
Sale of Scrap	154,450	244,071
Other Income	-	39,987
	2,920,751	641,769

2.17 Employee Benefits Expense

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Salaries & Wages	14,722,337	9,758,138
Contribution to Provident and Other Funds	750,839	544,906
Workmen & Staff Welfare Expenses	1,787,153	1,328,074
	17,260,329	11,631,118

2.18 Finance Costs

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Interest Expense	20,356,518	15,272,794
Other borrowing costs	1,206,625	-
	21,563,143	15,272,794

2.19 Other Expenses

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Power, fuel, water and gas	39,798,212	32,325,569
Consumption of Stores and spare parts	599,686	2,766,064
Repairs		
Plant & Machinery (Refer Note 2.24)	4,962,336	5,447,364
Others	1,846,161	4,553,650
Insurance	666,301	654,836
Rates & Taxes	5,000,058	2,533,351
Postage and Telephones	470,880	319,418
Printing & Stationery	194,847	155,829
Travelling & Conveyance	5,248,192	4,206,975
Directors sitting fees	84,000	24,000
Payments to the Auditors (Refer 2.19.01 below)	220,225	196,630
Advertisement and Publicity	16,530	10,000
Professional & Consultancy charges	583,500	1,332,041
Bank charges	102,300	15,420
Guarantee Commission	285,156	-
Contract Labour charges	15,944,583	16,950,054
Security charges	2,751,501	2,429,919
Rent	200,433	308,250
Effluent Discharge Fee	16,384,027	15,683,774
Miscellaneous Expenses	2,217,655	2,475,347
	97,576,583	92,388,491

2.19.01 Payments to the Auditors

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
a. Statutory Audit Fees	130,000	125,000
b. Taxation Matters (Including Tax Audit)	60,000	50,000
c. Service Tax on Above	2,500	-
d. Service Tax on Above	27,725	21,630
	220,225	196,630

2.20 Exceptional Item

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Claim towards materials damaged in processing	-	10,529,864
	-	10,529,864

2.20.01 The amount represents claims raised by the Holding Company, M/s Nitta Gelatin India Limited towards value of materials damaged during the processing activity.

2.21 Earnings per Equity share

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Loss for the year	(94,116,974)	(81,392,448)
Weighted average number of equity shares of Rs 10/- each fully paid up	18,860,520	18,860,520
Earnings per Share (Basic & Diluted)	(4.99)	(4.32)

2.21.01 The potential equity shares, on conversion of the Optionally Convertible Non-Cumulative Preference Shares, are anti-dilutive as the loss per share would decrease. Hence, the effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share in the manner required by Accounting Standard 20 "Earnings Per Share."

2.22 The Company is engaged in the business of manufacture of Ossein, Limed ossein and DCP, which form part of one product group and hence constitute a single business segment.

2.23 Disclosure of transactions with related parties as required by Accounting Standard - 18 on Related Party Disclosures as notified by Companies (Accounting Standards) Rules, 2006.

A. Related parties and nature of relationship

- | | |
|-------------------------------|---|
| i Nitta Gelatin India Limited | Holding Company |
| ii Nitta Gelatin Inc., Japan | Enterprise having substantial interest in the Company |
| iii Key Management Personnel | |
| T.P. Philip | Managing Director (w.e.f 01.01.2015) |
| Noriyuki Tsuji | Whole Time Director (w.e.f 09.07.2015) |
| B. Shaji Mohan | Managing Director (upto 31.12.2014) |

B Description of Transactions**Amount in Rupees**

Particulars	Holding Company	Enterprise having substantial interest in the Company	Key Management Personnel	Total
Issue of 6% Optionally Convertible Non-Cumulative Preference Shares	125,000,000 -			125,000,000 -
Borrowings Availed	- -	90,000,000 -		90,000,000 -
Income from Job charges	65,020,090 (77,266,500)			65,020,090 (77,266,500)
Expenses recovered	6,912,393 (1,218,213)			6,912,393 (1,218,213)
Expenses reimbursed	3,448,224 (2,880,560)			3,448,224 (2,880,560)
Guarantee Commission Paid	285,156 -			285,156 -
Interest paid on Trade Advance	3,935,104 -			3,935,104 -
Interest paid on Borrowings	- -	2,305,812 -		2,305,812 -
Security Deposit Accepted	200,000 (200,000)			200,000 (200,000)
Security Deposit Refunded	200,000 (200,000)			200,000 (200,000)
Claim towards materials damaged in processing	- (10,529,864)			- (10,529,864)
Remuneration to Managing Director	- -		1,711,547 (436,425)	1,711,547 (436,425)
Remuneration to Whole Time Director (Refer Note No 2.23.01)	- -		1,824,253 -	1,824,253 -
Remuneration to Whole Time Director (Prior to 9.7.2015 - Designation held as Executive Vice President (Technical))	- -		163,866 -	163,866 -
Balance outstanding as at 31.03.2016				
Nitta Gelatin India Limited				
Trade Advance from Customers	- (36,999,221)			- (36,999,221)
Claim payable towards materials damaged in processing	10,529,864 (10,529,864)			10,529,864 (10,529,864)

Corporate Guarantee received	212,500,000 (200,000,000)			212,500,000 (200,000,000)
Security Deposit Payable	200,000 (200,000)			200,000 (200,000)
Trade Receivable	5,658,376 -			5,658,376 -
Nitta Gelatin Inc., Japan	-	90,000,000		90,000,000
Borrowings	-	-		-

2.23.01 Remuneration to Whole Time Director includes Rs 6,78,343/- provided towards Reimbursement of Social Security Pension Insurance Cost and Health Insurance Cost, is subject to approval of the Shareholders under the Companies Act, 2013 which is being sought for at the ensuing Annual General Meeting.

2.24 Break-up of Consumption

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	%	Amount (Rupees)	%	Amount (Rupees)
Stores & Spares*				
Imported	-	-	-	-
Indigenous	100	2,445,847	100	7,319,714
	100	2,445,847	100	7,319,714
*Debited under Stores and spares consumed		599,686		2,766,064
*Debited under Repairs and Maintenance		1,846,161		4,553,650
		2,445,847		7,319,714

2.25. Contingent Liabilities

The details of Provisions and Contingent Liabilities are as under (Disclosed in terms of Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets) as notified by Companies (Accounting Standards) Rules, 2006.

2.25.01 Contingent Liabilities not provided for:

Particulars	For the year ended 31.03.2016 (Rupees)	For the year ended 31.03.2015 (Rupees)
Bank Guarantees	-	500,000
	-	500,000

2.26 Figures have been rounded off to the nearest rupee. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's layout.

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

SAJIV K. MENON
Chairman
DIN : 00168228

NORIYUKI TSUJI
Director
DIN : 07189371

K. MURALEEDHARAN NAIR
Director
DIN : 02421663

T. P. PHILIP
Managing Director
DIN : 00008636

M. R. KARMACHANDRAN
Director
DIN : 00164106

B. SHAJI MOHAN
Director
DIN : 03409101

VIJAYAN MENON
Director
DIN : 01141134

K. L. KUMAR
Director
DIN : 00004804

Place: Kochi
Date: 02.05.2016

N. V. ASOKAN
Chief Financial Officer

ABY EAPEN
Company Secretary