



Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
54/1446 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 3099444, 2317805
Fax : 0484 2310568
Email : ro@nittagelatin.com

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkannad
Cochin - 682 042 India
Tel : 0484 3099333, 2415506
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OSSEIN DIVISION
PO Kathikudam
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Trichur - 680 308 India
Tel : 0480 3099333, 2719490
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Email : od@nittagelatin.com

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

5th March 2018

Listing Department
BSE Limited
Phirosze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir

BSE Scrip Code:506532

Sub: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Merger and Amalgamation of Reva Proteins Limited ("the Transferor Company") with Nitta Gelatin India Limited ("the Transferee Company")

Please refer to our letter dated 3rd February, 2018, intimating the outcome of Board Meeting held on that date, approving the scheme of merger and amalgamation of the Transferor Company with our Company subject to requisite statutory approvals.

Pursuant to the Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submit, for your approval, the scheme of merger and amalgamation of the Transferor Company with the Transferee Company ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force). The Scheme has been approved by the Board of Directors of the Transferor Company and transferee Company at their respective Board Meetings held on and 3rd February, 2018.

Please note that BSE Limited is the designated Stock Exchange (DSE) for the purpose of coordinating with SEBI.

The necessary documents as per the checklist provided by BSE are enclosed herewith. We enclose herewith a Demand Draft bearing No 978082 for a sum of Rs.1,18,000(inclusive of GST@18%) dated 23.02.2018 and also enclose D/D bearing No.978098 for sum of Rs.94,400/(inclusive of Gst@ 18) dated 01.03.2018 drawn on State Bank of India, Commercial Branch, Ernakulam in favour of BSE LTD.

We also enclose herewith a Demand Draft bearing No. 978083 for a sum of Rs.346020 (inclusive of GST @ 18%) dated 23.02.2018 drawn on State Bank of India towards SEBI (Securities and Exchange Board of India) fees being 0.1% of the post merger paid up capital.

We also request BSE/SEBI to issue invoices for the above amount at the earliest.

We request you to take the above on record and kindly give your observation letter for the Scheme at the earliest.

Thanking You,

For Nitta Gelatin India Limited


G. Rajesh Kurup
Company Secretary



Nitta Gelatin India Limited

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Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

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Documents required to be submitted for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for the Scheme of Amalgamation / Arrangement (including arrangement with creditors) proposed to be filed under Sections 230-232 of the Companies Act, 2013

Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Annexure & Page Nos.
1.	Certified true copy of the resolution passed by the Board of Directors of the company approving the scheme.	Transferee Company- Annexure A1 Page No..1 to 8 Transferor Company- Annexure A2 Page No....9 to 16
2.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the National Company Law Tribunal, Chennai	Annexure B Page No..17 to 52
3.	Valuation report from Independent Chartered Accountant as applicable as per Para I(A)(4) of Annexure I of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017. The valuation report shall be as per the format given in Annexure I	Annexure C Page No. 53 to 61
4.	Report from the Audit Committee recommending the draft scheme of merger and amalgamation taking into consideration, inter alia, the valuation report at Sl. No. 3 above	Annexure D Page No..62 to 63
5.	Fairness opinion by Independent SEBI Registered Merchant Banker	Annexure E Page No...64 to 69
6.	Shareholding pattern of all the companies pre and post Amalgamation / Arrangement as per the format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Transferee Company- Annexure F1 Page No...70 to 76 Transferor Company- Annexure F2 Page No..77 to 78
7.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure II. Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (were it is due) accompanied mandatorily by the Limited Review Report of the auditor.	Transferee Company- Annexure G1 Page No..79 to 239 Transferor Company- Annexure G2 Page No..240 to 376
8.	Statutory Auditor's Certificate confirming the compliance of	Annexure H



	the accounting treatment etc. as specified in Para (I)(A) (5)(a) of Annexure I of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017, as per the format given in Annexure II of aforesaid SEBI circular.	Page No.... 377 to 378
9.	Detailed Compliance report as per the format specified in Annexure IV of SEBI circular dated March 10, 2017 duly certified by the Company Secretary, Chief Financial Officer and the Managing Director confirming Compliance with various Regulatory Requirements specified for Schemes of arrangements and all accounting standards. (Format attached as Annexure IV	Annexure I Page No... 379
10.	Complaint report as per Annexure III of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017, (To be submitted within 7 days of expiry of 21 days from the date of uploading of Draft Scheme and related documents on Exchange's website). Format given in Annexure V	Will be submitted within 7 days of expiry of 21 days from the date of filing of draft scheme of merger and amalgamation.
11.	If as per the company, approval from the public shareholders through e-voting, as required under Para (I)(A)(9)(a) of Annexure I of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017, is not applicable then as required under Para (I)(A)(9)(c) of said SEBI circular, submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non applicability of Sub Para 9(a) b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	Not applicable since approval from public shareholders is required through e-voting.
12.	If pursuant to scheme the allotment of shares is proposed to be made to a selected group of Share Holders or to the share Holders of unlisted Companies, pricing certificate from the Statutory Auditor of the Listed Company as per proviso of Regulation 70 (1) (II) (b) of ICDR	Not Applicable.
13.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	BSE Limited Annexure A1 Page No... 1 to 8
14.	Brief details of the Transferee and Transferor companies as per format enclosed at Annexure VI.	Annexure J Page No... 380 to 385
15.	Net worth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the Transferee company.	Annexure K Page No... 386 to 387
16.	Capital evolution details of the Transferee and Transferor companies as per format enclosed at Annexure VII.	Transferee Company- Annexure L1 Page No.... 388 Transferor Company-Annexure



		L2 Page No... 389
17.	Confirmation by the Company Secretary as per format enclosed as Annexure VIII.	Annexure M Page No... 390 to 391
18.	Annual Reports of the listed Transferee company and audited financials of Transferor company for the last financial year.	Transferee Company- Annexure G1 Page No... 79 to 239 Transferor Company-Annexure G2 Page No... 241 to 292
19.	Processing fee (non-refundable) payable will be as below, <u>favoring 'BSE Limited'</u> Rs.1,80,000/- plus GST as applicable, where one entities/companies are Merged or one new company formed due to De-merger BSE is hereby requested to issue separate invoice for the fee paid.	Annexure N 1)DD No 978082 for Rs.1,18,000(inclusive of GST 18%) dated 23.02.2018 drawn on SBI, Commercial Branch, Ernakulam and (2)D/D No.978098 for Rs. 94,400/- (inclusive of GST @18% dated 01.03.2018 SBI., Commercial Branch,Ernakulam Page No. 392
20.	Processing fee (non-refundable) payable will be as below, <u>Towards SEBI fee at the rate of 0.1% of the paid up share capital of the Transferee Company post sanction of the Scheme.</u> Rs. 2,93,236.08 plus GST as applicable, where one entities/companies are Merged or one new company formed due to De-merger SEBI is hereby requested to issue separate invoice for the fee paid.	Annexure O DD No 978083 for Rs. 3,46,020/-(inclusive of GST@18%) dated 23.02.2018 drawn on SBI,Commercial Branch, Ernakulam. Page No. 393
21.	Name & Designation of the Contact Person Telephone Nos. (landline & mobile) Email ID.	Mr. G Rajesh Kurup, Company Secretary 0484-2317805 Ph:9496448354 Email: rajeshkurup@nittagelindia.com

For Nitta Gelatin India Limited

G. Rajesh Kurup
Company Secretary





EXTRACT OF THE MINUTES OF THE 252ND MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON SATURDAY, THE 3RD FEBRUARY, 2018 AT 11.30 A. M. AT THE COURTYARD MARRIOTT, KOCHI - 683 572.

252.23 PROPOSAL FOR MERGER - REVA PROTEINS LTD - APPROVAL OF SCHEME

The Board considered the proposal to merge RPL with NGIL in order to bring in better operational synergy and control, by making the Gujarat operations a Divisional activity of NGIL. This may also lead to turn NGIL Balance Sheet much stronger over the next few years.

The Board noted that the proposed merger shall be undertaken through a scheme of Amalgamation under Section 230-232 of the Companies Act, 2013, before the National Company Law Tribunal (NCLT). As per the provision of Law, the Equity shares and Optionally Convertible Preference Shares that were earlier issued by RPL in favour of NGIL, shall stand cancelled.

As a consideration for merger, NGIL is to issue Redeemable Preference shares to the other existing Equity Shareholders of RPL - viz, NGL. Since NGIL has the constraint under SEBI Guidelines to retain Public Shareholding at 25% Equity, NGIL has to issue Preference Shares to the other existing Equity Shareholders of RPL as consideration for the merger.

The Board noted that the proposed scheme was considered by the Audit Committee of NGIL on the basis of the valuation made by SSPA & Co., Chartered Accountants, Mumbai, the designated Valuers duly appointed, for the merger. The Company also obtained a Fairness Opinion Certificate specifically of the share entitlement ratio, by SEBI registered Merchant Banker i.e. INGA Capital Ltd., Nariman Midtown, Mumbai explaining the rationale for its opinion. As per the SEBI guidelines, the Valuation Report recommending the ratio along with the Fairness Opinion Certificate issued by the Merchant Banker, was placed at the time of the meeting, being Unpublished Price Sensitive Information (UPSI). The Audit Committee recommended the Scheme to the Board of Directors for approval. The Board was informed that the Scheme was similarly placed before the RPL Board of



For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary




Directors at its meeting of instant through its Audit Committee, and both had approved the Scheme.

The Board after deliberations on the scheme and the valuation, approved the proposal to merge the entire business and undertaking of its subsidiary Reva Proteins Limited (RPL) with the Company, by way of vesting of undertaking (as defined in the Scheme) of RPL with the Company under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof and subject to compliance with all applicable securities laws, regulations and circulars ("the Scheme"). Besides also that the proposed vesting of undertaking of Reva Proteins Limited with the Company would be in the best interest of the Company, its shareholders, creditors and all other stakeholders of the Company.

The Board noted that the rationale of the Scheme is as under:

- (i) synergy of operations for achieving organization effectiveness and control and achieving economies of scale;
- (ii) optimal utilization of resources and better working capital management;
- (iii) overall cost efficiencies;
- (iv) greater integration and operational synergy;
- (v) seamless availability of technical expertise;
- (vi) greater level of synergy in the Goods and Service Tax (GST) regime;
- (vii) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure.
- (viii) Significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present
- (ix) Balance sheet becomes stronger;
- (x) streamlining the group structure and rationalization;



- 
- (xi) developing stronger base for future growth.

The Valuation Report, Fairness Opinion Certificate also of the date of the meeting, as considered by the Audit Committee and the Report of the Audit Committee thereof, recommending the draft Scheme of Merger for the vesting of the Undertaking of RPL with the Company, were also considered by the Board at the meeting.

Upon consideration of the Report of the Audit Committee, the Board on deliberation, passed the following resolution to approve the proposed merger of Reva Proteins Ltd. with Nitta Gelatin India Ltd.

“RESOLVED THAT

- a. Pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules (including any statutory modification(s) or re-enactment(s) thereof); all relevant securities laws, regulations and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as further clarified by Circular No CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, Circular No. CFD/DIL3/CIR/2017/105 dated 21st September, 2017, and Circular No. CFD/DIL3/CIR/2018/2 dated 3rd January, 2018 (hereinafter collectively referred to as ‘the Circulars’); the Listing Obligations and Disclosure Requirements Regulations, 2015 (LODR); Clause III(B) 5 of the object clause of the Company’s Memorandum of Association, other applicable provisions if any of the Memorandum and Articles of Association of the Company and subject to the necessary approvals of the shareholders of the Company, sanction of the National Company Law Tribunal (NCLT), Securities and Exchange Board of India (SEBI) and concerned Stock Exchange(s) and subject to compliance with all applicable laws and regulations and receipt of all relevant corporate, regulatory, governmental, judicial approvals and third party consents, the Scheme of Merger of Reva Proteins Limited with the Company in



terms of the draft placed before this meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby considered and approved for the Merger by way of a transfer of the Undertaking (as defined in the Scheme) of its Subsidiary Company i.e. Reva Proteins Limited with the Company with effect from 1st April, 2017 being the Appointed Date or such other date as may be determined by the Board of Directors of the Company and Reva Proteins Limited and issue of Redeemable Preference Shares by Nitta Gelatin (India) Limited to the equity shareholders of Reva Proteins Limited, as per the terms and conditions mentioned in the Scheme"

- b. The Fairness Opinion Certificate issued by Inga Capital limited, Category I Merchant Banker dated 03.02.2018 on the valuation carried out by SSPA & Co., Chartered Accountants and the Report from the Audit Committee dated 3rd February, 2018, recommending the Scheme, as placed before the Board be and is hereby considered, accepted and approved;
- c. Reva Proteins Ltd being the Subsidiary of the Company, in terms of the Scheme the Equity Shares and optionally convertible Preference Shares (OCPS) held by the Company in Reva Proteins Limited shall stand cancelled upon the Scheme becoming effective;

"RESOLVED FURTHER THAT for the purposes of the Scheme and based on the Share Exchange Report of an Independent Valuer, SSPA & Co Andheri(W), Mumbai, Chartered Accountants, the Board of Directors has approved that for the merger and amalgamation of Reva Proteins Limited with Nitta Gelatin (India) Limited, Nitta Gelatin (India) Limited issue to the shareholders of Reva Proteins Limited (except for the entitlement towards Nitta Gelatin (India) Limited shareholding) in proportion of their holdings as on the record date:





"a total of 44,44,444 Redeemable Preference Shares of Rs 10 each, credited as fully paid up preference share capital of the Transferee Company, in the following share exchange ratio;

- One Hundred (100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight (108) equity shares of RPL of INR 10/- each fully paid up" with the following terms:-
 - a. Such Preference Shares shall be entitled to a fixed dividend of 5% + 6 months USD LIBOR as on the record date over a non-cumulative basis.
 - b. A right to exercise put and call option for repayment shall be given at the expiry of 5 years from the date of allotment subject to such approvals as may be required.
 - c. Such Preference shares shall be redeemable at par on the expiry of seven years from the date of allotment.

"RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, Creditors and other stakeholders and that the terms thereof are fair and reasonable."

"RESOLVED FURTHER THAT Mr. Sajiv K. Menon, Managing Director, Mr. P. Sahasranaman, Chief Financial Officer and G. Rajesh Kurup, Company Secretary, be and are hereby severally authorized on behalf of the Company to sign and execute any application, affidavit, petition, undertakings or any other documents or deeds or pleadings, as may be required to be filed for this purpose and to agree and to make such modification/alterations as may be required by any regulatory, judicial or governmental authorities in connection with the Scheme and are further severally authorized to do all such things, deeds and acts as may be deemed necessary and expedient in connection with the Scheme and to give effect to the same,

"RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed on the aforesaid documents in the presence of the Managing Director and one other Director of the Company who shall sign





the same which shall be countersigned by the Company Secretary being the persons authorised in this regard."

"RESOLVED FURTHER THAT any one of the following Executives of the Company viz;

1. Sajiv K. Menon, Managing Director
2. P. Sahasranaman, Chief Financial Officer
3. G.Rajesh Kurup, Company Secretary

be and are hereby severally authorised on behalf of the Company to:

- I. Take all steps as may be required, including without limitation for obtaining approvals and/or consents of the shareholders, creditors, banks, financial institutions, all relevant regulatory, governmental and judicial authorities and all relevant third parties, as may be required from time to time in that behalf;
- II. Give such directions as they may consider necessary to settle any question or resolve any difficulty or matter arising under the Scheme or in regard to the meaning or interpretation of the Scheme or the implementation thereof and/or to review the position relating to the satisfaction of various conditions as stipulated in the said scheme and if necessary, subject to the consent of the Board of the Company, to waive any of those conditions (to the extent permissible under law);
- III. Appoint solicitors, advocates, attorneys, company secretaries, advisors, valuers, auditors, accountants, registrars or such other persons or agencies, as may be required in relation to or in connection with the Scheme, on such terms and conditions including as regards their fees or remuneration as they may deem fit and issue letters of appointment or vakalatnamas or authority letters in this regard;
- IV. Finalise applications for in-principle approval on Scheme of Amalgamation to BSE Limited in terms of Regulation 37 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015.



- V. Take all steps necessary in connection with applications to Hon' National Company Law Tribunal for directions for signing, affirming, and verifying applications/petitions in the Hon' National Company Law Tribunal.
- VI. Finalise and settle the draft of the notices for convening the shareholders'/ creditors' meetings and the draft of the explanatory statement with any modifications as they may deem fit;
- VII. Conduct of process for seeking approval of shareholders to the Scheme;
- VIII. Conducting the meetings of the shareholders and/or the creditors, signing and sending the notices and carry out all such other activities in relation to the meeting if the National Company Law Tribunal does not dispense with the meetings;
- IX. Filing affidavits, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to sign and execute vakalatnamas wherever necessary and sign and issue public advertisements and notices;
- X. Take all steps in connection with filing of necessary petitions required under Section 230 to 232 of the Companies Act 2013 before the National Company Law Tribunal or other higher forums if necessary, in respect of the scheme of amalgamation, and
- XI. Filing the Scheme with the Ministry of Corporate Affairs / Regional Director/ or any other authorities.
- XII. Take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolutions;


"RESOLVED FURTHER THAT for the purposes of the scheme, the designated stock exchange shall be BSE Limited (BSE)"

"RESOLVED THAT a Sub-Committee of the Board namely "Reva Restructuring Committee" be constituted with Mr. Sajiv K. Menon, Managing Director and Mr. K. L. Kumar, Director to decide with respect to all matters relating to the merger following herefrom, that has bearing on a



For NITTA GEL CO., INDIA LIMITED

G. RAJESH (CIN No. 8453)
Company Secretary



decision by the Board with respect to, but not confining to any proceedings before the Stock Exchange BSE Ltd., Regulators SEBI, RBI, ROC, Regional Director - MCA, NCLT and Appellate Tribunal thereof, and more specifically relating to fixation of Record date for ascertainment of share entitlement, convening meetings where required, allotment of shares, extending discharge, conferring on attributes and generally for all that are required for completion of the merger activity."

" ALSO RESOLVED THAT the copies of the foregoing resolutions certified to be true copies by any one of the above mentioned authorized persons be furnished to all concerned as may be necessary and they be requested to act thereon."

CERTIFIED TRUE COPY

For NITTA GELATIN INDIA LIMITED



G. RAJENDRA PRASAD (s. 6453)
Company Secretary



EXTRACT OF THE MINUTES OF THE ADJOURNED 39th MEETING OF THE BOARD OF DIRECTORS OF REVA PROTEINS LIMITED HELD AT 09.00 A. M. ON SATURDAY, THE 3RD FEBRUARY, 2018 AT COURTYARD MARRIOTT, KOCHI - 683 572.

The Quorum being present, the 39th meeting held at the Registered Office on 02.02.2018 which got adjourned, was reconvened and called to order by the Chairman.

39.12 PROPOSAL FOR MERGER - REVA PROTEINS LTD WITH NITTA GELATIN INDIA LIMITED - APPROVAL OF SCHEME

The Board resumed the deliberation on the proposal for merger along with the Valuation Report submitted by SSPA & Co., Chartered Accountants, Andheri West, Mumbai - 58 and Fairness Opinion Certificate by M/s. INGA Capital Ltd., Mumbai both dated this day (03.02.2018). It was noted that the Company was incorporated in the year 2009 with a share capital of Rs. 450 lakhs (45,00,000 equity shares of Rs. 10/- each) which was subscribed in entirety by NGIL for setting up the 1800 MT Lined Ossein plant in Jhagadia Industrial Estate in Bharuch District in Gujarat. Though the commercial production was started from the financial year 2012-13 onwards, after the setting up of the project, the plant could not be operated at the desired capacity utilization level due to restrictions in discharge of its treated effluent on account of non-commissioning of the marine discharge effluent pipeline.

The high Ammoniacal Nitrogen content in the effluent stream and the closure of the plant in the month of June and July 2017 and the lower capacity utilization levels in the III qtr of the current financial year have contributed in significantly eroding the value of inventories and receivables, with the resultant reduction in drawing power.

The Board noted that the capacity utilization level as detailed above has resulted in continued business losses for the Company over the past several years was as detailed below:-



For REVA PROTEINS LIMITED

G. RAJESHKURUP
Company Secretary

Particulars	Financial years						(Rs. In lakhs)		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 estimates
Depreciation	2.72	8.51	17.00	524.45	514.86	294.78	256.58	257.34	256
Other business loss	57.59	23.45	44.42	238.04	-283.8	519.14	684.59	521.70	753
Total loss	60.31	31.96	61.42	762.49	231.06	813.92	941.17	779.04	1009
Cumulative loss	60.31	92.27	153.74	916.23	1147.29	1961.21	2902.38	3681.42	4690.42

The Board considered the proposal to merge the Company with NGIL in order to bring in better operational synergy and control, by making the Gujarat operations as part of a Divisional activity of NGIL. This shall enable the Reva Division to stay healthy with support extended by NGIL whose balance sheet is also likely to turn stronger in the longer term on implementation of the scheme.

The Board noted that the proposed merger shall be undertaken through a scheme of Amalgamation under Section 230-232 of the Companies Act, 2013, before the National Company Law Tribunal (NCLT). As per the provision of Law, the Equity shares and Optionally Convertible Preference Shares that were earlier issued by the Company in favour of NGIL, shall stand cancelled.

As a consideration for merger, NGIL is to issue Redeemable Preference Shares to the other existing Equity Shareholders of the Company as on the record date. Since NGIL has the constraint under SEBI Guidelines to retain Public Shareholding at 25% Equity, NGIL has to issue Redeemable Preference Shares to the other existing Equity Shareholders of the Company as consideration for the merger.

The Board noted that the proposed scheme was considered by the Audit Committee of the Company on the basis of the valuation made by SSPA & Co., Chartered Accountants, Mumbai, the designated Valuer. The Company

For REVA PROTEINS LIMITED



also obtained a Fairness Opinion Certificate specifically of the share entitlement ratio, by SEBI registered Merchant Banker i.e. M/s. INGA Capital Ltd., Nariman Midtown, Mumbai explaining the rationale for its opinion.

The Board after deliberations on the scheme and the valuation, approved the proposal to merge the entire business and undertaking of the Company with NGIL, by way of vesting of undertaking (as defined in the Scheme) of the Company with NGIL under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof and subject to compliance with all applicable securities laws, regulations and circulars ("the Scheme"). Besides also that the proposed vesting of undertaking of the Company would be in the best interest of the Company, its shareholders, creditors and all other stakeholders of the Company.

The Board noted that the rationale of the Scheme is as under:

- (i) Synergy of operations for achieving organization effectiveness and control and achieving economies of scale;
- (ii) optimal utilization of resources and better working capital management;
- (iii) overall cost efficiencies;
- (iv) greater integration and operational synergy;
- (v) seamless availability of technical expertise;
- (vi) greater level of synergy in the Goods and Service Tax (GST) regime;
- (vii) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure.
- (viii) Significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present
- (ix) Balance sheet becomes stronger;
- (x) streamlining the group structure and rationalization;

For REVA PROTEINS LIMITED

G. RAJESHKURUP
Company Secretary



- (xi) developing stronger base for future growth.

Upon consideration of the Report of the Audit Committee, the Board on deliberation, passed the following resolutions to approve the proposed merger of the Company with Nitta Gelatin India Ltd.

"RESOLVED THAT

- a. Pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules (including any statutory modification(s) or re-enactment(s) thereof); all relevant securities laws, regulations and SEBI notification and the LODR provisions as such as they are applicable to the proposal; relevant provisions of Clause III(B) of the object clause of the Company's Memorandum of Association, other applicable provisions if any of the Memorandum and Articles of Association of the Company and subject to the necessary approvals of the shareholders of the Company, sanction of the National Company Law Tribunal (NCLT), other Regulatory Authorities and subject to compliance with all applicable laws and regulations and receipt of all relevant corporate, regulatory, governmental, judicial approvals and third party consents, the Scheme of Merger of Reva Proteins Limited with Nitta Gelatin India Ltd (NGIL) in terms of the draft placed before this meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby considered and approved for the Merger by way of a transfer of the Undertaking of the Company (as defined in the Scheme) with NGIL with effect from 1st April, 2017 being the Appointed Date or such other date as may be determined by the Board of Directors of the Company and NGIL and issue of Redeemable Preference Shares by Nitta Gelatin (India) Limited to the equity shareholders of Reva Proteins Limited, as per the terms and conditions mentioned in the Scheme"

For REVA PROTEINS LIMITED

G. RAJESHKURUP
Company Secretary



- b. The Fairness Opinion Certificate issued by Inga Capital limited, Category I Merchant Banker dated 03.02.2018 on the valuation carried out by SSPA & Co., Chartered Accountants and the Report from the Audit Committee dated 3rd February, 2018, recommending the Scheme, as placed before the Board be and is hereby considered, accepted and approved;
- c. Reva Proteins Ltd being the Subsidiary of NGIL, in terms of the Scheme the Equity Shares and optionally convertible Preference Shares (OCPS) held by NGIL in Reva Proteins Limited shall stand cancelled upon the Scheme becoming effective;

"RESOLVED FURTHER THAT for the purposes of the Scheme and based on the Share Exchange Report of an Independent Valuer, SSPA & Co Andheri(W), Mumbai, Chartered Accountants, the Board of Directors has approved that for the merger and amalgamation of Reva Proteins Limited with Nitta Gelatin (India) Limited, Nitta Gelatin (India) Limited to issue to the shareholders of Reva Proteins Limited (except for the entitlement towards Nitta Gelatin (India) Limited shareholding) in proportion of their holdings as on the record date:

"a total of 44,44,444 Redeemable Preference Shares of Rs 10 each, credited as fully paid up Preference Share Capital of the Transferee Company, in the following share exchange ratio;

- One Hundred (100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight (108) equity shares of RPL of INR 10/- each fully paid up" with the following terms:-
 - a. Such Preference Shares shall be entitled to a fixed dividend of 5% + 6 months USD LIBOR as on the record date over a non-cumulative basis.
 - b. A right to exercise put and call option for repayment shall be given at the expiry of 5 years from the date of allotment helpful to such approvals as may be required.



- c. Such Preference shares shall be redeemable at par on the expiry of seven years from the date of allotment.

"RESOLVED FURTHER THAT in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its shareholders, Creditors and other stakeholders and that the terms thereof are fair and reasonable."

"RESOLVED FURTHER THAT Mr. Sajiv K. Menon, Chairman, Mr. P. Sahasranaman, Director and Mr. G. Rajesh Kurup Company Secretary, be and are hereby severally authorized on behalf of the Company to sign and execute any application, affidavit, petition, undertakings or any other documents or deeds or pleadings, as may be required to be filed for this purpose and to agree and to make such modification/alterations as may be required by any regulatory, judicial or governmental authorities in connection with the Scheme and are further severally authorized to do all such things, deeds and acts as may be deemed necessary and expedient in connection with the Scheme and to give effect to the same.

"RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed on the aforesaid documents in the presence of the Managing Director / Chairman and one other Director of the Company who shall sign the same which shall be countersigned by the Company Secretary being the persons authorised in this regard."

"RESOLVED FURTHER THAT any of the afore stated executives of the Company be and are hereby severally authorised on behalf of the Company to:

- I. Take all steps as may be required, including without limitation for obtaining approvals and/or consents of the shareholders, creditors, banks, financial institutions, all relevant regulatory, governmental and



judicial authorities and all relevant third parties, as may be required from time to time in that behalf;

- II. Give such directions as they may consider necessary to settle any question or resolve any difficulty or matter arising under the Scheme or in regard to the meaning or interpretation of the Scheme or the implementation thereof and/or to review the position relating to the satisfaction of various conditions as stipulated in the said scheme and if necessary, subject to the consent of the Board of the Company, to waive any of those conditions (to the extent permissible under law);
- III. Appoint solicitors, advocates, attorneys, company secretaries, advisors, valuers, auditors, accountants, registrars or such other persons or agencies, as may be required in relation to or in connection with the Scheme, on such terms and conditions including as regards their fees or remuneration as they may deem fit and issue letters of appointment or vakalatnamas or authority letters in this regard;
- IV. Finalise applications for in-principle approval on Scheme of Amalgamation to BSE Limited in terms of Regulation 37 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015.
- V. Take all steps necessary in connection with applications to Hon' National Company Law Tribunal for directions for signing ,affirming, and verifying applications/petitions in the Hon' National Company Law Tribunal.
- VI. Finalise and settle the draft of the notices for convening the shareholders'/ creditors' meetings and the draft of the explanatory statement with any modifications as they may deem fit;
- VII. Conduct of process for seeking approval of shareholders to the Scheme;
- VIII. Conducting the meetings of the shareholders and/or the creditors, signing and sending the notices and carry all such other activities in



relation to the meeting if the National Company Law Tribunal does not dispense with the meetings;

- IX. Filing affidavits, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to sign and execute vakalatnamas wherever necessary and sign and issue public advertisements and notices;
- X. Take all steps in connection with filing of necessary petitions required under Section 230 to 232 of the Companies Act, 2013 before the Company Law Tribunal or other higher forums if necessary, in respect of the scheme of amalgamation, and
- XI. Filing the Scheme with the Ministry of Corporate Affairs / Regional Director/ or any other authorities.
- XII. Take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolutions;

“RESOLVED FURTHER THAT for the purposes of the scheme, the designated stock exchange shall be BSE Limited (BSE)”

“ ALSO RESOLVED THAT the copies of the foregoing resolutions certified to be true copies by any one of the above mentioned authorized persons be furnished to all concerned as may be necessary and they be requested to act thereon.”

CERTIFIED TRUE COPY

For REVA PROTEINS LIMITED

G. RAJESHKORUP
Company Secretary



SCHEME OF MERGER AND AMALGAMATION

BETWEEN

REVA PROTEINS LIMITED ... TRANSFEROR COMPANY

AND

NITTA GELATIN INDIA LIMITED TRANSFEREE COMPANY

UNDER SECTION 230 TO 232 OF COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

SCHEME OF MERGER AND AMALGAMATION

BETWEEN

REVA PROTEINS LIMITED ... TRANSFEROR COMPANY

AND

NITTA GELATIN INDIA LIMITED ... TRANSFEREE COMPANY

UNDER SECTION 230 TO 232 OF COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary



1. Preamble

- A. This Scheme of merger is presented under Section 230 to 232 of the Companies Act, 2013 for transfer of undertaking (as defined hereunder) of Reva Proteins Limited (**RPL or Transferor Company**) into Nitta Gelatin India Limited (**NGIL or Transferee Company**).
- B. The Transferor Company is a public limited Company originally incorporated under the Companies Act, 1956 in the state of Kerala on 30.07.2009 with Registration No. 024529 and continuing its existence under the Act (defined herein after) bearing CIN No:U24295KL2009PLC024529 having its registered office at 50 / 1002 Panampilly Nagar Ernakulam, Kerala - 682036 and is a Subsidiary of Transferee Company with 74.6% equity stake and the balance held by Nitta Gelatin Inc. Japan (**NGI, Japan**). The Transferee Company is also holding 100% Preference Stake in Transferor Company. The shares of the Transferor Company is not listed any stock exchanges. The Transferor Company is primarily engaged in the business of manufacturing of limer Ossein, Ossein, Dicalcium Phosphate and 8% Dicalcium Phosphate.
- C. The Transferee Company is a public limited Company originally incorporated under the Companies Act, 1956 in the State of Kerala with the name Kerala Chemicals and Proteins Limited (KCPL) on 30.04.1975 with Registration No. 002691 and during the year 2008, the name had been changed to Nitta Gelatin India Limited and continuing its existence under the said name under the Act bearing CIN No:L24299KL1975PLC002691, having its registered office at 50 / 1002 Panampilly Nagar Ernakulam, Kerala - 682036 (the "**Transferee Company**"). The Transferee Company is a successful industrial joint venture between Nitta Gelatin Inc., (NGI) Japan (43% Equity Stake) and Kerala State Industrial Development Corporation Limited (KSIDCL) (31.5% Equity Stake) while balance shareholding is distributed amongst public. The Company is presently engaged in Manufacturing of Ossein Gelatin, Collagen peptide, Dicalcium Phosphate, Chitosan, Nutrigold, Seedaaid, Carti pep. The equity shares of the Transferee Company are listed on the BSE Limited ("**BSE**") Mumbai.
- D. The Transferor Company is having severe liquidity issues in servicing its debts especially towards the trade creditors and the advance payments from the promoters

are going up in view of the continued loss making situation and it may take some time for the Transferor Company to tide over the situation to meet its payment commitments in the course of business. Further, it may require to provide for impairment losses in the Transferee Company's books for its investments into the Transferor Company following significant erosion in net worth owing to past accumulated losses. Consequent to the prevailing adverse financial conditions, banks show some reluctance to extend credit facilities to the Transferor Company on a standalone basis.

- E. The Scheme proposes the vesting of the undertaking of the Transferor Company into the Transferee Company, which will result in consolidation of the business carried on by the Transferor Company and Transferee Company as one single entity.

F. Rationale for the Scheme

The Scheme shall enable the Transferee Company to reap several benefits including:

- (i) Synergy of operations for achieving organization effectiveness and control and achieving economies of scale;
- (ii) optimal utilization of resources and better working capital management;
- (iii) overall cost efficiencies;
- (iv) greater integration and operational synergy;
- (v) seamless availability of technical expertise;
- (vi) greater level of synergy in the Goods and Service Tax (GST) regime;
- (vii) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure.
- (viii) Significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present
- (ix) Balance sheet becomes stronger;
- (x) streamlining the group structure and rationalization;
- (xi) developing stronger base for future growth.



- G. Accordingly, it is proposed that the Transferor Company be merged with the Transferee Company, followed by the dissolution without winding up of the Transferor Company and the consequent cancellation of equity shares as well as Optionally Convertible Preference Shares (OCPS) held by the Transferee Company in the Transferor Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Act, in the manner provided for in the Scheme.
- H. Since the Transferor Company is a Subsidiary of the Transferee Company, upon this Scheme becoming effective, the equity shares and Optionally Convertible Preference Shares (OCPS) held by the Transferee Company (directly and/or through its nominees), in the Transferor Company will stand cancelled and as a consideration for the merger, the Transferee Company to issue redeemable preference shares to equity shareholders other than NGIL in the following manner stated hereinafter.
- I. The merger of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (*as defined hereinafter*).
- J. The merger of the Transferor Company with the Transferee Company in accordance with this Scheme will be in compliance with the provisions of Section 2(1B) of the Income Tax Act, 1961, such that:
- a. all the properties of the Transferor Company, immediately before the merger, shall become the property of the Transferee Company, by virtue of the merger;
 - and
 - b. all the liabilities of the Transferor Company, immediately before the merger, shall become the liabilities of the Transferee Company, by virtue of the merger.
- K. This Scheme is divided into the following parts:
- (i) **Part I**, which deals with the definitions and share capital of the Transferor Company and the Transferee Company;

(ii) **Part II**, which deals with the merger of the Transferor Company with the Transferee Company;

(iii) **Part III**, deals with alteration of authorized share capital of the Transferee Company and increase of issued, subscribed and paid up share capital of the Transferee Company and the issue of new Preference Shares by the Transferee Company to the equity Shareholders other than NGIL of the Transferor Company

AND

(iv) **Part IV**, Which deals with the dissolution without winding up of the Transferor Company, accounting treatment and general terms and conditions applicable to this Scheme.

PART I

2. Definitions and Interpretation

2.1 In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

2.1.1 "**Act**" means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment or amendments thereto from time to time;

2.1.2 "**Appointed Date**" means 1st April, 2017 or such other date as may be recommended by the Boards of Directors and approved by the members of the Transferor Company and the Transferee Company or as modified by the Tribunal;

2.1.3 "**Board of Directors**" or "**Board**" in relation to each of the Transferor Company and the Transferee Company, as the case may be, means the Board of Directors of such Company, and shall include a committee duly

constituted and authorized for the purposes of matters pertaining to the merger, the Scheme and/or any other matter relating thereto;

2.1.4 **"Effective Date"** means the date on which the certified or authenticated copies of the order(s) sanctioning the Scheme, passed by the Tribunal is filed with the Registrar of Companies. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date;

2.1.5 **"Employees"** mean the employees, if any, of the Transferor Company, as on the Effective Date which includes all permanent workmen, subordinate staff, clerical and non clerical and managerial staff;

2.1.6 **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

2.1.7 **"Record Date"** means the date fixed by the Board of Directors of the Transferee Company or any committee thereof in consultation with the Transferor Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the Redeemable Preference Shares in the Transferee Company pursuant to Clause 23 of the Scheme, upon coming into effect of this Scheme

2.1.8 **"Funds"** shall have the meaning assigned to it in Clause 10(c) hereof;

2.1.9 **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission including a stock exchange or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body;

2.1.10 **"Liabilities"** shall have the meaning assigned to it in Clause 8(a) hereof;

2.1.11 **"Registrar of Companies"** means the Registrar of Companies, Kerala;

2.1.12 **"Scheme"** means this scheme of merger and amalgamation, as amended or modified in accordance with the provisions hereof;

2.1.13 **"SEBI"** means the Securities Exchange Board of India;

2.1.14 **"SEBI Scheme Circulars"** means SEBI Circular No. CFD /DIL3/CIR/2017/21 dated 10th March, 2017, as further clarified by the Circular No.CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, Circular No. CFD/DIL3/CIR/2017/105 dated 21st September, 2017, and Circular No. CFD/DIL3/CIR/2018/2 dated 3rd January, 2018 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.

2.1.15 **"Stock Exchanges"** means the BSE Limited, Mumbai, where the shares of the Transferee Company are listed.

2.1.16 **"Transferee Company"** means Nitta Gelatin India Limited (NGIL);

2.1.17 **"Transferor Company"** means Reva Proteins Limited (RPL);

2.1.18 **"Tribunal"** or **"NCLT"** means Chennai Bench of the National Company Law Tribunal constituted under section 408 of the Companies Act 2013; and

2.1.19 **"Undertaking"** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstanding, liabilities, duties and obligations as on the Appointed Date including, but not in any way limited to, the following:

- a. All the assets and properties (whether movable or immovable, agricultural and non-agricultural land, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, buildings and structures, offices, residential and other



premises, capital work in progress, sundry debtors, furniture, fixtures, office equipment, appliances, vehicles, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.

- b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description

whatsoever relating to the Transferor Company's business activities and operations and which are not specifically mentioned herein.

- c. Entitlements, including leasehold rights, held by the Transferor Company or which may accrue or become due to it as on the Appointed Date or may become so due or entitled to thereafter.
- d. All intellectual property rights, designs developed, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Company's business activities and operations.
- e. Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- f. Right to any claim, whether preferred or made by the Transferor Company or not, in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, availability of Minimum Alternate Tax credit, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, deferment of sales tax, any benefits under Package Scheme of Incentives under respective state laws as applicable, and the Cenvat / Modvat credit balances under the Central Excise Act, 1944, or any other or like benefits under the said acts or under and in accordance with any law or act or any law or act which may be enacted in future including but not limited to Goods and Service Tax coming under the Goods and Services Tax Act, 2017.
- g. All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind,



nature and description whatsoever and howsoever arising, raised or incurred or utilised.

- h. All other obligations of whatsoever kind, including liabilities in respect of the employees of the Transferor Company with regard to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of voluntary retirement or retrenchment.
- i. All Employees of the Transferor Company will become employees of the Transferee Company, with the same benefits and privileges enjoyed by them in the Transferor Company.

2.2 References to Clauses, sub-Clauses and Recitals, unless otherwise provided, are to clauses, sub-clauses and recitals of and to this Scheme.

2.3 The headings herein alone shall not be taken for the purpose of the construction of this Scheme.

2.4 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

2.5 The singular shall include the plural and vice versa; and references to one gender include all genders.

2.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.7 Reference to a person includes any individual, firm, body corporate (whether incorporated or not), Governmental Authority, or any joint arrangements, association,

partnership, works council or employee representatives body (whether or not having separate legal personality).

3. Operative date of the Scheme

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made in accordance with the provisions hereof, approved or directed by the Tribunal, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

4. Share Capital

4.1 Transferor Company,

- (i) The share capital structure of the Transferor Company as on 3rd February, 2018, is as under:

Authorised Share Capital	in Rupees
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
2,00,00,000 Optionally convertible Non-cumulative Preference Share of Rs.10 each	20,00,00,000
Total	40,00,00,000

Issued, subscribed and paid up	in Rupees
1,88,60,520 Equity shares of ₹ 10 each	18,86,05,200
1,25,00,000 Optionally convertible Non-cumulative Preference Share of Rs.10 each	12,50,00,000
Total	31,36,05,200

- (ii) The Equity shares of the Transferor Company are not listed on any stock exchange,
- (iii) 74.6% Equity shares as well as 100% Preference shares of the Transferor Company are held by the Transferee Company (directly and/or through its nominees) and the remaining Equity Shares by the NGI, Japan.
- (iv) As on date of the Scheme being approved by the Board of Directors of the Transferor Company, there shall not be any change or composition in the



authorized, issued, subscribed and paid up share capital of the Transferor Company so as to interfere with the valuation of the shares of the Transferor Company.

4.2 Transferee Company

- (i) The share capital structure of the Transferee Company as on 3rd February, 2018 is as under:

Authorised Share Capital	in Rupees
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
9,29,412 Optionally convertible Non-cumulative Preference Share of Rs.170 each	15,80,00,040
Total	35,80,00,040

Issued, subscribed and paid up	in Rupees
90,79,160 Equity shares of ₹ 10 each	9,07,91,600
9,29,412 Optionally convertible Non-cumulative Preference Share of Rs.170 each	15,80,00,040
Total	24,87,91,640

- (ii) As on date of the Scheme being approved by the Board of Directors of the Transferee Company, there shall not be any change or composition in the authorized, issued, subscribed and paid up share capital of the Transferee Company so as to interfere with the valuation of the shares of the Transferee Company.

For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary

PART II

MERGER OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Section 1 – Transfer

5. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(1B) and other applicable provisions of the Income Tax Act, 1961, without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, by virtue of and in the manner provided in this Scheme.

6. Transfer of assets

- a. Without prejudice to the generality of Clause 5 above, upon the coming into effect of the Scheme and with effect from the Appointed Date, all the estate, assets, properties (including investments in shares, securities, stocks, bonds), rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate, whether or not included in the books of the Transferor Company, and all assets and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of applicable law, if any, without any further act, deed or instrument, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date (or in case of any estate, assets, etc. acquired on a date after the Appointed Date, with effect from such date), the estate, assets, properties (including investments in shares, securities, stocks, bonds), rights, claims, title, interest and authorities of the

Transferee Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

- b. Without prejudice to the provisions of sub-Clause (a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature (including shares, securities, stocks, bonds) or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company upon the coming into effect of the Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act and all other applicable provisions of applicable law, if any, without requiring any deed or instrument of conveyance, cost or charge and without any notice or other intimation to any third party for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- c. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in sub-Clause (b) above) including sundry debtors, receivables, bills, credits (including tax credits), loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, earnest money and deposits with any Government, quasi government, local or other authority or body or with any Company or other person, the same shall stand transferred to and vested in the Transferee Company and/ or deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of applicable law, if any.
- d. Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to land, agricultural land, buildings, offices, factories, sites and any other immovable property, including accretions and appurtenances) of the Transferor Company, whether freehold or leasehold, and any document of title, rights, interest and easements in relation thereto shall

stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authorities and third parties pursuant to the sanction of the Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution. The charges standing in the name of the Transferor Company shall become the charges in the name of the Transferee Company by virtue of the scheme of merger and amalgamation.

- e. All the licenses, permits, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits (including sales tax and service tax), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, income tax benefits and exemptions, all other rights, exemptions and benefits including those acquired by the Transferor Company on or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, on coming into effect of the Scheme and with effect from Appointed Date, be and stand transferred to and vesting and/ or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become licenses, permits, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits (including sales tax and service



tax), subsidies, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

- f. All the rights, remedies, claims and rights of action of the Transferor Company against third parties shall, pursuant to Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, be and deemed to be rights, remedies, claims and rights of action of the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date.
- g. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- h. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the

Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

7. Contracts, deeds etc.

- (a) Upon the coming into effect of this Scheme and with effect from Appointed Date, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible for, and which are subsisting or have effect immediately before the Effective Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, continue in full force and effect on or against or in favour, as the case maybe, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto or thereunder.
- (b) It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the order of the Tribunal sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and stead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under



the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

- (c) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contractor arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- (d) For the avoidance of doubt and without prejudice to the generality of the foregoing, up on the coming into effect of the Scheme and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to, or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to, or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

8. Transfer of Liabilities

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and liabilities of the Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), liabilities (including contingent liabilities, deferred tax liabilities and obligations under any

licenses or permits or schemes), duties and obligations and undertakings of the Transferor Company of every kind, nature and description what so ever whether present or future, and how so ever arising, raised or incurred or utilized for its business activities and operations along with any charge, Encumbrance, lien or security thereon (herein referred to as the "Liabilities"), whether or not recorded in its books and records, shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of applicable law, if any, without any further act, instrument, deed, matter or thing, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date (or in case of any Liability incurred on a date after the Appointed Date, with effect from such date) the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 8.

- (b) All Liabilities incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- (d) Where any Liabilities of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- (e) All Liabilities incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the



coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company, which shall meet, discharge and satisfy the same.

- (f) Upon coming into effect of the Scheme, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability, including contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- (g) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary forms and returns with the Registrar of Companies to give formal effect to the above provisions, if required.
- (h) Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (i) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

- (j) The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/ or superseded by the foregoing provisions.

9. Encumbrances

- (a) The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clause 5 and Clause 6 of this Scheme shall be subject to the Encumbrances, if any, affecting the same.
- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (c) The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of the Scheme.

10. Employees and directors

- (a) Upon the coming into effect of this Scheme, the Employees as defined above, if any, shall, under the provisions of Sections 230 to 232 of the Act and other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for their transfer, become the employees of the Transferee Company on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other term in all benefits, the past services of such Employees with the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- (b) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company.
- (c) In so far as the provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the Employees or to which the Transferor Company is contributing for the benefit of the Employees and other such funds, trusts, the benefits of which the Employees enjoy (collectively referred to as the "Funds"), all the contributions made to such Funds for the benefit of the Employees and the accretions thereto and the investments made by the Funds in relation to the Employees shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the Funds referred to above, such contributions, accretions and investments shall, subject to the necessary approvals and

permissions and at the discretion of the Transferee Company, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing Funds separately and contribute there to until such time that the Transferee Company creates its own funds, at which time the Funds and the investments, accretions and contributions pertaining to the Employees shall be transferred to the funds created by the Transferee Company.

- (d) In relation to those Employees who are not covered under the provident fund trust of the Transferor Company or who do not enjoy the benefit of any other provident fund trust, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company in relation to such provident fund trust shall become those of the Transferee Company.
- (e) Upon the coming into effect of this Scheme, the directors of the Transferor Company will not be entitled to any directorships in the Transferee Company by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship of a person who is already a director in the Transferee Company as of the Effective Date.

11. Legal, taxation and other proceedings

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal), by or against the Transferor Company, whether pending and/ or arising on or before the Effective Date shall be continued and/ or enforced by/ or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had



been instituted and/ or pending and/ or arising by / or against the Transferee Company.

- b. The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in sub-Clause (a) above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by/ or against the Transferee Company.
12. Without prejudice to the provisions of Clauses 5 to 10, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

Section 2 – Conduct of Business

13. Upon the coming into effect of the Scheme, with effect from the Appointed Date and up to and including the Effective Date;
- (a) The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for, and on account of, and in trust for, the Transferee Company;
 - (b) All profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case maybe, of the Transferee Company;
 - (c) Any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company

for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments, including compliances such as tax deducted at source / tax collected at source under income-tax laws, compliances under sales tax, service tax, excise and other applicable laws that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and

- (d) all taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

14. Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

15. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.



For NITTA GELATIN INDIA LIMITED

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G. RAJESH KURUP (ACS No. 8453)
Company Secretary

Section 3 – Cancellation of Shares of the Transferor Company

16. Upon the Scheme coming into effect, all equity shares and optionally convertible preference shares of the Transferor Company held by the Transferee Company (directly and/ or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that only redeemable preference shares shall be issued by the Transferee Company to other existing shareholders against the value of the equity shares held by them in the Transferor Company.

PART III

SECTION 1- ALTERATION OF AUTHORISED CAPITAL OF THE TRANSFEE COMPANY AND INCREASE OF ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL OF THE TRANSFEE COMPANY

17. The provisions of this Part III shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

18. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with authorized share capital of the Transferee Company giving a scope for enhancement of the authorized share capital of the Transferee Company even though the scheme does not envisage the issue of equity shares to the members of the Transferor Company by way of share exchange. Filing fees, stamp duty if any paid by the Transferor Company on its authorized share capital shall be deemed to have been so paid by the Transferee Company on its combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any additional filing fee, stamp duty on its increased authorized share capital.

19. For enabling the Transferee Company to issue redeemable preference shares to the other existing equity shareholder of the Transferor Company as a consideration for the merger, the Transferee Company shall enhance the authorized preference share capital by way of issuing 44,44,444 redeemable preference shares of Rs.10/- each for allotment to the other existing equity shareholder of the Transferor Company.

20. Accordingly, Clause V(a) of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to sections 12, 61 and 64 and other applicable provisions of the Companies Act, 2013 and the rules framed there under, by deleting the existing clause and replacing it by the following:

"The Share Capital of the Company is Rs.80,24,44,480/- (Eighty Crores Twenty Four Lakhs Forty Four Thousand Four Hundred Eighty only) comprising of 4,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs. 40,00,00,000/- (Rupees Forty Crores) and 9,29,412 Optionally Convertible Non-Cumulative Preference Shares of Rs.170/- each aggregating to Rs.15,80,00,040/-(Rupees Fifteen Crores Eighty Lakhs and Forty only) and 2,00,00,000 Optionally Convertible Preference Shares of Rs.10/- each aggregating to Rs.20,00,00,000/- (Rupees Twenty Crores only) and 44,44,444 Redeemable Preference Shares of Rs.10/- each aggregating to Rs 4,44,44,440/- (Rupees Four Crores Forty Four Lakhs Forty Four Thousand Four Hundred and Forty only) with power to increase and reduce the Capital for the time being of the Company into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions as such may be determined by or in accordance with the provisions of the Companies Act,2013 and Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges to conditions in such manner as may for the time being provided by the aforesaid regulations."

21. Article 3 of the Articles of Association of the Transferee Company shall without any further act, instrument or deed, be and stand altered, modified and amended pursuant to sections 14, 61 & 64 and other applicable provisions of the companies Act, 2013 and the rules framed there under by deleting the existing clause and replacing it by the following:

3"The Share Capital of the Company is Rs. 80,24,44,480/- (Eighty Crores Twenty Four Lakhs Forty Four Thousand Four Hundred Eighty only) comprising of 4,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs.40,00,00,000/- (Rupees Forty Grores) and 9,29,412 Optionally Convertible Non-Cumulative Preference Shares of Rs.170/- each aggregating to Rs.15,80,00,040/-(Rupees Fifteen Crores Eighty Lakhs and Forty only) and 2,00,00,000 Optionally Convertible Preference Shares of Rs.10/- each aggregating to Rs 20,00,00,000/-



(Rupees Twenty Crores only) and 44,44,444 Redeemable Preference Shares of Rs.10/- each aggregating to

Rs 4,44,44,440/- (Rupees Four Crores Forty Four Lakhs Forty Four Thousand Four Hundred and Forty only)

22. The approval of this scheme by the shareholders of the Transferee Company under section 230 and 232 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under sections 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 and the rules framed there under and any other consents and approval required in this regard.

SECTION 2-ISSUE OF PREFERENCE SHARES BY TRANSFEREE COMPANY

23. The share valuation of the Transferor and Transferee companies have been made in the valuation reports prepared by the Registered valuer and based on the report of the valuation of shares of the Transferor and Transferee companies ,upon the coming into the effect of this Scheme and in consideration of the transfer and vesting of undertaking of the Transferor Company in the Transferee Company in terms of this scheme, the Transferee Company shall subject to the provisions of Clause 20,21 and 22, without any further application, act, instrument or deed issue and allot to Equity Shareholders other than NGIL of the Transferor Company whose name is entered in the Register of Members of the Transferor Company on the Record Date a total of 44,44,444 Redeemable Preference Shares of Rs 10 each, credited as fully paid up of the Transferee Company, in the following share exchange ratio;

- One Hundred (100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight (108) equity shares of RPL of INR 10/- each fully paid up.

24. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Transferor or Transferee of equity

shares in the Transferor Company, after the effectiveness of this Scheme. The RPS to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

PART IV

DISSOLUTION OF TRANSFEROR COMPANY, ACCOUNTING TREATMENT AND OTHER TERMS AND CONDITIONS

25. Dissolution of Transferor Company

- (a) Upon the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding-up, without any further act or deed.
- (b) On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

26. Accounting Treatment

- (a) Upon the Scheme becoming effective, the Transferee Company shall account for the merger in its books of accounts as under:
 - (i) The accounting shall be in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103): (Business combinations of entities under common control), notified under the Companies Act, 2013.
 - (ii) Accordingly, on and from the Appointed Date and subject to the provisions hereof, including clause all assets, liabilities and reserves of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form. The



identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial Statements of the Transferor Company.

- (iii) In case of any differences in accounting policies between the Transferee Company and the Transferor Company the accounting, policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- (iv) All costs and expenses incurred as per Clause 29 below as well as other costs incidental with the finalization of this Scheme and for operationalizing the Scheme and any other expenses or charges attributable to the implementation of the above Scheme including stamp duty payable, if any, on the basis of value of immovable properties of the Transferor Company transferred to the Transferee Company shall be debited to the profit & loss account of the Transferee Company. The costs to issue debt or equity securities shall be recognized in accordance with Ind AS 32 and Ind AS109.
- (v) To the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- (vi) Consideration, if any to be issued to the other equity shareholders of the transferee company would be recorded at their nominal value in the books of the transferor company
- (vii) The difference, if any, between the investments held by the Transferee Company and all assets, liabilities and reserves of the Transferor Company, along with the consideration, if any, to be paid to the other shareholders of

the transferor company will be transferred to " Other Equity" portion under the head Equity of the transferor company.

- (viii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date

27. Conditions precedent to the Scheme

- (a) The Scheme is conditional upon and subject to:
- (i) The Scheme being approved by the requisite majorities of the various classes of members (where applicable) of the Transferor Company and the Transferee Company as required under the Act, or dispensation having been received from the Tribunal in relation to obtaining such approval from the members, and the requisite orders of the Tribunal being obtained in this regard and with the support of the simple majority of the public shareholders of the Transferee Company, being a listed entity;
 - (ii) the Tribunal having accorded its sanction to the Scheme;
 - (iii) the receipt of pre-filing and post sanction approvals of the Stock Exchanges and SEBI in terms of the SEBI Scheme Circulars, as applicable; and
 - (iv) the authenticated or certified copies of the order of the Tribunal approving the Scheme being filed with the Registrar of Companies, Kerala.
- (b) On the approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company, in accordance with Section 230(1) of the Act, the shareholders of the Transferor Company and Transferee Company, respectively,



shall be deemed to have also resolved and accorded all relevant consents under the Act to the extent the same may be considered applicable in relation to the arrangement set out in this Scheme and related matters.

- (c) In the event of this Scheme failing to take effect by 31st March, 2019 or such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to, or, be incurred *inter-se* between the parties or their shareholders or creditors or employees or any other person. In such case, each of the Transferor Company and the Transferee Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

28. Dividends

The Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date and enjoy their equity rights under Articles of Association.

- (a) Prior to the effectiveness of the Scheme, the holders of the shares of the Transferor Company will continue to enjoy their existing rights under its Articles of Association, not entitled any dividends.
- (b) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, and subject to the approval, if required, of the shareholders of the Transferee Company.

29. Applications

The Transferor Company and the Transferee Company shall make necessary applications before the Tribunal for the sanction of this Scheme under Sections 230 to 232 of the Act, and any other applicable provisions of the Act.

30. Resolutions

Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor Company, relating to any powers to borrow, make investments, give loans, give guarantees, etc. approved under the provisions of the Act or any other applicable statutory provisions, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and the amounts under such resolutions shall be added to the amounts under like resolutions passed by the Transferee Company or shall become the amounts available to the Transferee Company as if the resolutions were passed by the Transferee Company.

31. Modifications to the Scheme

- (a) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, jointly and as mutually agreed in writing:
- (i) Assent to any alteration(s) or modification(s) to this Scheme which the Tribunal and/ or any other Governmental Authority may deem fit to approve or impose and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
 - (ii) Give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to, and of the meaning or interpretation of this Scheme, or implementation thereof, or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under applicable law);
 - (iii) Jointly modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time;



- (iv) Determine jointly whether any asset, liability, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose; and
 - (iv) Any modification to the Scheme by the Transferor Company and/ or the Transferee Company, after receipt of sanction by the Tribunal, shall be made only with the prior approval of the Tribunal.
- (b) Notwithstanding anything stated in Clause 31(a) hereinabove, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same are approved by the Tribunal.

32. Severability

- (a) The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically recommended otherwise by the respective Board of Directors of the Transferor Company and the Transferee Company and accordingly agreed to by the shareholders of the companies by the required majority in their respective general meetings.
- (b) If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

33. Upon this Scheme becoming effective, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

34. The Transferee Company shall be entitled to file/ revise its income tax returns, TDS certificates, TDS returns, and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act,

1961, credit of tax deducted / collected at source, credit of taxes paid/ withheld etc., if any, as may be required consequent to implementation of this Scheme.

35. Repeals and Savings

Any matter filed with Registrar of Companies, Regional Director or the Central Government under the previous Companies Act, 1956, before the notification of the corresponding provisions under the Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar, Regional Director or the Central Government, as the case may be, in terms of the previous Companies Act, 1956. Any direction or order given by the Tribunal under the provisions of the previous Companies Act, 1956 and any act done by the Transferor Company and / or Transferee Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Companies Act, 2013. Accordingly, the provisions of the Companies Act, 2013, shall not apply to acts done by the Transferor Company and /or Transferee Company as per direction or order of the Tribunal sanctioning the Scheme prior to the commencement of the Companies Act, 2013.

36. Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the merger of the Transferor Company with the Transferee Company in pursuance of the Scheme shall be borne and paid by the Transferee Company.

ANNEXURE – TERMS OF PREFERENCE SHARES

TERMS AND CONDITIONS FOR ISSUE OF REDEEMABLE PREFERENCE SHARES ('RPS')

Dividend Rate on RPS	Six months Libor plus 500 basis points
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Listed	RPS will not be listed on any Stock Exchange
Tenure of RPS	07 Years
Put & Call Option	There shall vest a right for put and call option for repayment at the expiry of 5 years from the date of allotment

TERMS AND CONDITIONS OF RPS

(to be printed on the reverse of the share certificate)

The following rights shall be attached to the preference shares of Rs.100/- each:

- I) The Preference Shares of Rs.100/- fully paid-up shall be non-convertible ;
- II) The Preference Shares shall be non-cumulative;
- III) The Preference Shares shall be non-participating;
- IV) In the event of winding up of NGIL (including capital uncalled for at the commencement of winding up) remaining after paying and discharging the debts and liabilities of NGIL and the cost of winding up shall be applied in the following order of priority:
 - (a) in repayment of capital paid up or credited as paid up on the RPS;
 - (b) The surplus, if any, shall be divided amongst the holders of the equity shares according to the amounts paid up thereon.
- V) The Preference Shares shall be deemed to be allotted on the Effective Date.
- VI) The Preference Shares shall be taken as redeemed and fully discharged on payment of the redemption amount by NGIL to the holder thereof as per the Register of Preference Shareholder. Such payment will be a legal discharge of the liability of NGIL towards the Preference Shareholders.
- VII) The record date for payment of the redemption amount will be 30 days prior to each redemption date.
- VIII) The Preference Shareholders will not be entitled to any rights and privileges of equity shareholders, other than those available to them under statutory requirements.



For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary

STRICTLY PRIVATE & CONFIDENTIAL

February 03, 2018

The Board of Directors,
Nitta Gelatin India Limited
54/1446, SBT Avenue,
Panampilly Nagar,
Cochin - 682 036, Kerala.

The Board of Directors,
Reva Proteins Limited
54/1446, SBT Avenue,
Panampilly Nagar,
Cochin - 682 036, Kerala.

Re: Recommendation of fair share exchange ratio for the purpose of proposed amalgamation of Reva Proteins Limited with Nitta Gelatin India Limited

Dear Madam(s)/ Sir(s),

As requested by the management of Nitta Gelatin India Limited (hereinafter referred to as 'NGIL') and Reva Proteins Limited (hereinafter referred to as 'RPL') (hereinafter collectively referred to as the 'Management'), we have undertaken the valuation exercise of equity shares of RPL to recommend a fair exchange ratio for the proposed amalgamation of RPL with NGIL (hereinafter collectively referred to as 'the Companies').

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the management of RPL and NGIL are considering a proposal for the amalgamation of RPL with NGIL (hereinafter referred to as 'Amalgamation') through a Scheme of Amalgamation ('the Scheme') pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act'). Subject to necessary approvals, RPL would be amalgamated with NGIL with effect from Appointed Date of April 01, 2017 ('Appointed Date').
- 1.2 In this regards, SSPA & Co., Chartered Accountants ("SSPA") have been appointed to recommend the fair share exchange ratio for the proposed amalgamation for consideration of the Boards of NGIL and RPL.
- 1.3 We have been represented by the Management that NGIL intends to discharge the consideration for amalgamation through issue of Redeemable Preference Shares



carrying a coupon of 6 months Libor + 500 basis points (hereinafter referred to as 'RPS') of INR 10 each to the equity shareholders of RPL. In view of this, there is no need to carry out valuation of equity shares of NGIL. Considering this, we have carried out a valuation of the equity shares of RPL with a view to recommend a ratio of exchange of RPS of NGIL to the equity shareholders of RPL for the proposed Amalgamation.

2. BRIEF BACKGROUND

2.1 NITTA GELATIN INDIA LIMITED

2.1.1 NGIL is Indo-Japanese joint venture between Kerala State Industrial Development Corporation Ltd., India and Nitta Gelatin Inc., Japan.

2.1.2 NGIL is engaged in the manufacture and sale of Gelatin, Ossein, Di Calcium Phosphate (DCP), Ossein (Limed), Chitosan and Collagen Peptide, which are used in various applications, including healthcare, personal care, food products and animal feed. NGIL's plants are located at Koratty, Kusumagiri, and Cherthala Taluk in the state of Kerala.

2.1.3 The equity shares of NGIL are listed on BSE Limited.

2.2 REVA PROTEINS LIMITED

2.2.1 RPL is a subsidiary of NGIL and is engaged in manufacture and sale of Limed Ossein, Ossein, Di Calcium Phosphate (DCP) and 8% Di Calcium Phosphate. RPL's manufacturing facility is situated at Bharuch, Gujarat.

2.2.2 We have been informed by the Management that post FY 2015-16, business model of RPL has changed from a job processor (job work services) for NGIL to an independent manufacturer and seller.

2.3 We have been informed that upon amalgamation becoming effective, the existing Optionally Convertible Non-Cumulative Preference Shares of RPL held by NGIL shall stand cancelled.

3. SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information:

(a) Audited Financial Statements of NGIL and RPL for the financial year ('FY') ended March 31, 2017.



- (b) Management certified Provisional Financial Statements of RPL for the 6 months period ended September 30, 2017 ('6ME Sep 17').
- (c) Financial Projections of RPL comprising of Balance Sheet and Statement of Profit and Loss for FY 2017-18 to FY 2022-23 as provided by the Management.
- (d) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- (e) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data as provided by the Management.
- (f) Information available in the public domain.

4. EXCLUSIONS AND LIMITATIONS

- 4.1 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 4.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 4.3 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular.
- 4.4 In the course of the valuation, we were provided with both written and verbal information. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Management.
- 4.5 Our work does not constitute an audit or certification of the historical financial statements / prospective results of the Companies along with information sourced from public domain, referred to in this report. We have, therefore, not performed any due



diligence procedure on the historical data and information sourced from public domain. Further, we do not accept responsibility for the accuracy and completeness of the information provided to us by the Management or information sourced from public domain and accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise.

- 4.6 No investigation on the Managements' claim to title of assets of the Companies has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.7 Our recommendation is based on the estimates of future financial performance as projected by the Management, which we are informed represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 4.8 This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies along with any other matter, which may have an impact on our opinion, on the valuation including any significant changes that have taken place or are likely to take place in the financial position of the Companies subsequent to date of this report. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 4.9 The fee for the engagement and this report is not contingent upon the results reported.
- 4.10 Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the proposed amalgamation. It also should not be construed as compliance



to ECB norms under which the Management is proposing to issue RPS as consideration for the Amalgamation.

- 4.11 The decision to carry out the transaction (including consideration thereof) lies entirely with the parties concerned. Any person intending to provide finance/invest in the shares/business of the Companies, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. Our work and our finding shall not constitute a recommendation as to whether or not the parties concerned should carry out the transaction.
- 4.12 Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement.
- 4.13 This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 4.14 SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, prudence or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

5. VALUATION APPROACH

- 5.1 For the purpose of valuation for amalgamation, generally the following approaches are adopted:
- (a) the 'Underlying Asset' approach,
 - (b) the 'Income' approach; and
 - (c) the 'Market' approach



- 5.2 As stated earlier, since RPS are being issued to the equity shareholders of NGIL as consideration for the proposed amalgamation, no valuation of equity shares of NGIL is required.
- 5.3 In the present case, RPL is intended to be valued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the 'Underlying Asset' approach is not adopted for the present valuation exercise.

6. VALUATION AS PER INCOME APPROACH

- 6.1 Under the 'Income' approach, shares of RPL have been valued using 'Discounted Cash Flow' (DCF) method.
- 6.2 Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- 6.3 The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans, if any and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.
- 6.4 WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Company. In other words, WACC is the weighted average of the company's cost of equity and debt. Considering an appropriate mix between debt and equity for the Company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.
- 6.5 Appropriate adjustments have been made for cash and cash equivalents, present value of 6% Optionally Convertible Non-Cumulative Preference Shares ('OCNCPS'), value of investments and outstanding debt after considering the tax impact wherever applicable to arrive at the Equity value.
- 6.6 The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per equity share of RPL.



7. VALUATION AS PER MARKET APPROACH

- 7.1 The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.
- 7.2 Since the equity shares of RPL are not listed on any recognized stock exchanges, value under market approach is disclosed based on Comparable Companies Multiple Method.

8. RECOMMENDATION OF FAIR EXCHANGE RATIO

- 8.1 The fair basis of amalgamation of RPL with NGIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of the Companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.
- 8.2 As mentioned earlier, the Management is proposing to issue RPS as consideration for amalgamation of RPL with NGIL. We have been further informed that RPS will carry a coupon of 6 months Libor + 500 basis points and shall be non-cumulative, non-participating and redeemable at par. We have been informed by the Management that the coupon of RPS is in compliance with existing EBC norms since RPS are being issued to-promoters of NGIL (non-resident). Thus, the coupon of 6 months Libor + 500 basis points appears to be fair.
- 8.3 Further, shares of RPL are not listed on stock exchanges. Thus there is no market price available for the shares of RPL. Considering that RPL has recently changed business model from job processor to an independent manufacturer and seller, we have thought fit to give weightage only to value determined under Income Approach using DCF Method.



Valuation Approach	Value per share (INR)	Weight
Underlying Asset Approach *	1.27	-
Income Approach	9.27	1
Market Approach *	9.79	-
Value per share		9.27

* Note: As mentioned earlier, we have not adopted the 'Underlying Asset' approach and 'Market' approach for the present valuation exercise. However, we have computed the value per share as per 'Underlying Asset' approach and 'Market' approach for information purpose only, as required by BSE Limited and National Stock Exchange of India Limited vide their circular No. LIST/COMP/02/2017-18 dated May 29, 2017 and NSE/CML/2017/12 dated June 01, 2017 respectively.

8.4 The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the approaches explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

8.5 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheet but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'



must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 8.6 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion, a fair ratio of exchange in the event of amalgamation of RPL with NGIL would be as under:

One Hundred (100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight (108) equity shares of RPL of INR 10/- each fully paid up.

Thank you,
Yours faithfully,

SSPA & CO.



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Signed by Parag Ved, Partner
Membership No. 102432

Place: Mumbai



**Annexure D****REPORT OF AUDIT COMMITTEE RECOMMENDING DRAFT SCHEME OF MERGER
BY WAY OF VESTING OF THE UNDERTAKING OF REVA PROTEINS LIMITED
WITH THE COMPANY (THE SCHEME)***(Meeting dated 03.02.2018)*

The Securities and Exchange Board of India ("SEBI") vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as further clarified by Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 (Hereinafter collectively referred to as Circular) has amongst other requirements, sought a report from Audit Committee of Listed Companies recommending the draft scheme under Section 230 232 of the Companies Act, 2013 (Including any statutory modification(s) or re-enactment(s) thereof) ('the Act')

Pursuant to the above, a Scheme of Merger by the way of vesting of the undertaking (as defined in the draft scheme) of Reva Proteins Limited with the Company was placed before the Audit Committee for its recommendation.

The Audit Committee at its meeting held on 3rd February, 2018 has noted the background and rationale for the said scheme.

Background: As outlined in detail under the Scheme of Merger considered this day by the Committee.

The rationale of the scheme are noted as under;

- (i) synergy of operations for achieving organization effectiveness and control and achieving economies of scale;
- (ii) optimal utilisation of resources and better working capital management ;
- (iii) overall cost efficiencies;
- (iv) greater integration and operational synergy;
- (v) seamless availability of technical expertise;
- (vi) greater level of synergy in the Goods and Service Tax (GST) regime;
- (vii) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure.



- (viii) Significant reduction in the multiplicity of legal and regulatory reporting and compliances required at present
- (ix) Balance sheet becomes stronger;
- (x) streamlining the group structure and rationalization;
- (xi) developing stronger base for future growth.

The proposed appointed date for the merger by way of transfer of undertakings of Reva Proteins Limited with the Company is 01.04.2017.

All assets and liabilities of Reva Proteins Limited (Forming part of the Undertakings of Reva Proteins Limited) will be transferred to the Company.

It is therefore proposed that the undertaking of Reva Proteins Limited be transferred to the company, followed by dissolution without winding up of Reva Proteins Limited and consequent cancellation of all equity shares as well as optionally convertible preference shares (OCPS) held by the Company in Reva Proteins Limited pursuant to section 230-232 and other relevant provisions of the Companies Act, 2013 as amended (including any statutory modification(s) or re-enactment(s) thereof).

After consideration of the draft scheme, Valuation Report and the Fairness Opinion thereto, certificate from Auditors regarding accounting treatment, the members of the Audit Committee formed an opinion that implementation of the proposed scheme of merger by way of transfer of undertakings of Reva Proteins Limited with the Company is in the best interest of the Company and its shareholders, creditors and other stakeholders. Besides, Scheme of Amalgamation does not envisage any Corporate Debt Restructuring in respect of the liabilities towards the creditors of the Company.

Therefore, the Audit Committee recommends the draft scheme for consideration and approval by the Board of Directors.



Radha Unni
DIN: 03242769
Chairperson

Place: Kochi
Date: 03.02.2018



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For NITTA GELATIN INDIA LIMITED



G. RAJESH KURUP (ACS No. 8453)
Company Secretary

STRICTLY PRIVATE & CONFIDENTIAL

03 February, 2018

The Board of Directors
Nitta Gelatin India Limited
 50/1002, Panampilly Nagar,
 Ernakulam, Kerala, India - 682036

Dear Sirs,

Sub.: Fairness Opinion Certificate on the report on recommendation of Share Exchange Ratio by SSPA & Co. (Chartered Accountants).

Re.: Scheme of Amalgamation of Reva Proteins Limited with Nitta Gelatin India Limited and their respective shareholders ("Scheme").

This has reference to the request made by the management of Nitta Gelatin India Limited (hereinafter referred to as "NGIL" or "the Company") in connection with fairness opinion on the report on recommendation of Share Exchange Ratio by SSPA & Co. (Chartered Accountants) (hereinafter referred to as "the Valuer") for issue of redeemable preference shares of the Company, in connection with proposed merger of Reva Proteins Limited (hereinafter referred to as "RPL") with the Company.

1. PURPOSE OF SHARE EXCHANGE REPORT BY THE VALUER

- 1.1** The Board of Directors of NGIL, has considered and approved the Scheme of Amalgamation at their meeting held on 3rd February, 2018 providing for merger of RPL with NGIL. As consideration for the merger, NGIL would issue redeemable preference shares to the equity shareholders of RPL. The appointed date for the purpose of merger is April 1, 2017. NGIL holds 1,40,60,520 equity shares representing 74.55% of the total equity share capital of RPL. NGIL also holds 1,25,00,000 Optionally Convertible Non-Cumulative Preference Shares of RPL. The existing share capital of RPL held by NGIL is proposed to be cancelled as part of the proposed merger.





- 1.2 In this regard, SSPA & Co. (Chartered Accountants) was appointed by the Company to recommend a Share Exchange Ratio for the proposed merger.
- 1.3 The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per regulation 37 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations 2015') read with SEBI Circular CFD/DIL3/CIR/2017/21, dated March 10, 2017 and SEBI Circular CFD/DIL3/CIR/2018/2, dated January 2, 2018 ('SEBI Circular').

2. BRIEF BACKGROUND OF COMPANIES

2.1 NITTA GELATIN INDIA LIMITED

2.1.1 Nitta Gelatin India Limited (hereinafter referred to as 'NGIL') is Indo-Japanese joint venture between Kerala State Industrial Development Corporation Ltd., India and Nitta Gelatin Inc., Japan.

2.1.2 NGIL is engaged in the manufacture and sale of Gelatin, Ossein, Di Calcium Phosphate (DCP), Ossein (Limed), Chitosan and Collagen Peptide, which are used in various applications, including water treatment, healthcare, personal care, food products and animal feed. NGIL's plants are located in Kerala at Koratty, Kusumagiri, and Cherthala Taluk.

2.1.3 The equity shares of NGIL are listed on BSE Limited.

2.1.4 NGIL has invested approx. INR 28.40 crores through 1,40,60,520 equity shares (74.55% of the total equity share capital in RPL) and INR 12.50 crores through 1,25,00,000 Non-Cumulative Optionally Convertible Preference Shares (hereinafter referred to as the 'OCNCPS') in RPL

2.2 Reva Proteins Limited

2.2.1 Reva Proteins Limited is engaged in the manufacture and sale of Limed Ossein, Ossein, Di Calcium Phosphate (DCP) and 8% Di Calcium Phosphate. Its manufacturing facility is situated at Bharuch, Gujarat.

2.2.2 Post FY 2015-16, business model of RPL has changed from a job processor (job work services) to an independent manufacturer and seller.





2.2.3 Further, the products manufactured by RPL are primarily supplied to its group companies.

2.2.4 Current equity shareholding pattern of the Company is as follows:

Name of shareholders	Shares	% of holding
Nitta Gelatin India Limited	1,40,60,520	74.55%
Nitta Gelatin Inc., Japan	48,00,000	25.45%
Total	1,88,60,520	100.00%

3. SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

- Draft Scheme of Amalgamation u/s. 230 to 232 of the Companies Act, 2013 (and to the extent applicable provisions of the Companies Act, 1956)
- Certified Report on Recommendation of Share Exchange Ratio for the Merger of RPL with NGIL dated 3rd February, 2018, issued by SSPA & Co (Chartered Accountants)
- Certified Copy of Certificate of Incorporation and Memorandum and Articles of Association of NGIL and TLL
- Audited Financial Statements of NGIL and RPL for the financial year ('FY') ended March 31, 2017.
- Management certified Provisional Financial Statements of RPL for the 6 months period ended September 30, 2017 ('6ME Sep 17').
- Financial Projections of RPL comprising of Balance Sheet and Statement of Profit and Loss for FY 2017-18 to FY 2022-23 as provided by the Management.
- Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.



- (h) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data as provided by the Management.
- (i) Other such information and explanations as were required and which have been provided by SSPA & Co (Chartered Accountants).
- (j) Information available in the public domain.

4. EXCLUSIONS AND LIMITATIONS

- 4.1 Conclusions reached by us are dependent on the information provided to us being complete & accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.
- 4.2 No investigation of the Companies' claim to title of assets has been made by us for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the account. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.3 This certificate is prepared with a limited purpose / scope as identified / stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.
- 4.4 Our opinion is not, nor should it be construed as our opining or certifying the compliance of proposed merger with the provision of any law including Companies,


M. B. Dhandhi



Taxation and other regulatory provisions or as regards any legal implications or issues arising thereon. Our opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the scheme other than the fairness, from financial point of view, of the Share Exchange Ratio

- 4.5 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third-party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Companies.
- 4.6 The Fairness Opinion is addressed only to the Board of Directors of Companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Companies and the Stock Exchanges and also be made part of the explanatory statement to be circulated the shareholders and/or creditors of the Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga Capital's prior written consent. The Fairness Opinion should be read in totality and not in parts.
- 4.7 In no circumstances however, will Inga Capital or its directors, officers, employees and controlling persons of Inga Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.
- 4.8 Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third





party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

5. CONCLUSION

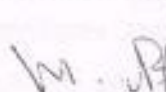
- 5.1 We have reviewed the approach used by the Valuer for recommending of share Exchange Ratio for the merger.
- 5.2 On the basis of the foregoing points read with regulation 37 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations 2015') and in terms of SEBI Circular CFD/DIL3/CIR/2017/21, dated March 10, 2017 and SEBI Circular CFD/DIL3/CIR/2018/2, dated January 2, 2018 ('SEBI Circular'), we are of the opinion that the recommendation made by SSPA & Co. (Chartered Accountants) is fair & reasonable with regards to Exchange Ratio for merger of RPL with NGIL which is as under:


100 (One Hundred) redeemable preference shares of face value of INR 10/- each fully paid up in NGIL for every 108 (One Hundred Eight) equity shares of face value of INR 10/- each fully paid-up in RPL

Thanking you,

Yours faithfully,

For Inga Capital Limited


Mihir B Pandhi
Senior Manager
Place: Mumbai





Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
54/1448 SBT Avenue
Panampilly Nagar
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Tel : 0484 3099444, 2317805
Fax : 0484 2310568
Email : ro@nittagelatin.com

GELATIN DIVISION
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PO Info Park, Kakkanad
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Tel : 0484 3099333, 2415506
Fax : 0484 2415504
Email : gel@nittagelatin.com

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Fax : 0480 2719943
Email : od@nittagelatin.com

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

ANNEXURE- F I

Annexure-F1

Pre Merger- Shareholding Pattern (as on 31.03.2017)

General information about company	
Scrip code	506532
Name of the Company	NITTA GELATIN INDIA LIMITED
Whether company is SME	No
Class of Security	Equity Shares
Type of Report	Quarterly
Quarter ended / Half year ended/Date of Report (For prelisting/ Allotment)	31.03.2017
Date of allotment /extinguishment (in case Capital Restructuring selected)Listing Date	
Shareholding Pattern field under	Regulation 31(1)(b)

For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary



Annexure - I

Annexure - I

Holding of specified securities (Statement Showing Shareholding Pattern)

1. Name of Listed Entity : NITTA GELATIN INDIA LIMITED
2. Scrip Code / Name of Scrip / Class of Security 506532 / NITTA GELA / EQUITY
3. Share Holding Pattern Filed under: Reg. 31(1)(a) / Reg. 31(1)(b) / Reg.31(1)(c)
 - a. If under 31(1)(b) then indicate the report for Quarter ending 31-Mar-2017
 - b. If under 31(1)(c) then indicate date of allotment/extinguishment 31-Mar-2017

4. Declaration: The Listed entity is required to submit the following declarat on to the extent of submission of informatior

Particulars	Yes *	No *
1 Whether the Listed Entity has issued any partly paid up shares?		NO
2 Whether the Listed Entity has issued any Convertible Securities or Warrants?		NO
3 Whether the Listed Entity has any shares against which depository receipts are issued?		NO
4 Whether the Listed Entity has any shares in locked-in?		NO
5 Whether any shares held by promoters are pledge or otherwise encumbe red?		NO

5. The tabular format for disclosure of holding of specified securities is as follows:-



Table I

Table I - Summary Statement holding of specified securities

Category (I)	Category of Shareholder (II)	Nos. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated)	Number of Voting Rights held in each class of securities (IX)				No. of Outstanding Shares	Shareholding as a % assuming full	Number of Locked in		Number of Shares pledged		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total	No. (a)	As a % of total	
								Class eg: X	Class eg: Y	Total								
	PROMOTER & PUBLIC	2	6762520	0	0	6762520	74.48	6762520	0	6762520	74.48	0	0	0	0	0	0	6762520
	PUBLIC	6418	2316640	0	0	2316640	25.52	2316640	0	2316640	25.52	0	0	0	0	0	0	2101436
	NON PROMOTER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SHARES UNDER SHARES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	HELD BY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	6420	9079160	0	0	9079160	100	9079160	0	9079160	100	0	0	0	0	0	0	88633956



Table III

III - Statement showing shareholding pattern of the Public shareh

	Category & Name of the Shareholders (I)	PAN (II)	No. of Shares of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	No. of shares held (VII = IV + V)	Total nos. shares held (VII = IV + V)	Share holding % calculated as per SCRR, 1957 As a	Number of Voting Rights held in each class of securities IX)				No. of Shares Underlying Outstanding	Total Shareholding, as a % assuming full conv	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting rights			No.(a)	As a % of total Shares held (b)	No.(a) (Not applicable)	As a % of total Shares held	
									Class X	Class Y	Total								
1.	INSTITUTIONS																		
	Mutual Funds/		6	4239	0	0	4239	0.05	4239	0	4239	0.05	0	0	0	0	NA		691
b.	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
c.	Alternate Investment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
d.	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
e.	Foreign Portfolio Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
f.	Financial Institutions/ Banks		3	6332	0	0	6332	0.07	6332	0	6332	0.07	0	0	0	0	NA		0
g.	Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
h.	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
i.	ANY OTHER																		
i.	Market Maker		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA		0
	Sub-Total (B)(1)		9	10571	0	0	10571	0.12	10571	0	10571	0.12	0	0	0	0			691
2.	Central Government/ State Government(s)/ President of India																		
	Sub-Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0			0



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV + V + VI)	Shareholding % calculated as per SCRR, 1957 As a % of	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding	Shareholding, as a % assuming full	Number of Locked in		Number of Shares		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total	No. (a)	As a % of total	
									Class X	Class Y	Total								
1.	INDIAN																		
a.	Individuals/Hindu undivided		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Central Government/ State Government(s)		1	2862220	0	0	2862220	31.53	2862220	0	2862220	31.53	0	0	0	0	0	0	2862220
	Names :																		
	KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION	AAACK9434D		2862220			2862220	31.53	2862220	0	2862220	31.53		0	0	0		0	2862220
c.	Financial Institutions/ Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d.	ANY OTHER																		
	Sub-Total (A)(1)		1	2862220	0	0	2862220	31.53	2862220	0	2862220	31.53	0	0	0	0	0	0	2862220
2.	FOREIGN																		
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Foreign Portfolio		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
f.	ANY OTHER																		
	Bodies Corporate		1	3900300	0	0	3900300	42.96	3900300	0	3900300	42.96	0	0	0	0	0	0	3900300
	Names :																		
	NITTA GELATIN INC	AACCN4562F		3900300			3900300	42.96	3900300	0	3900300	42.96		0	0	0		0	3900300
	Sub-Total (A)(2)		1	3900300	0	0	3900300	42.96	3900300	0	3900300	42.96	0	0	0	0	0	0	3900300

Page 1

Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		2	6762520	0	0	6762520	74.48	6762520	0	6762520	74.48	0	0	0	0	0	0	0	6762520
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Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense acco



(a)	Mutual Funds	6	4239	4239	0.05	4239	4239	0.05	0.05	691
(b)	Venture Capital Funds									
(c)	Alternate Investment Funds									
(d)	Foreign Venture Capital Investors									
(e)	Foreign Portfolio Investors									
(f)	Financial Institutions/ Banks	3	6332	6332	0.07	6332	6332	0.07	0.07	0
(g)	Insurance Companies									
(h)	Provident Funds/ Pension Funds									
(i)	Any Other (specify)									
Sub-Total (B)(1)		9	10571	10571	0.12	10571.00	10571	0.12	0.12	691
(2)	Central Government/ State Government(s)/ President of India									
Sub-Total (B)(2)										
(3)	Non-institutions									
(a(i))	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	5877	1757483	1757483	19.36	1757483	1757483	19.36	19.36	1562986
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	5	111142	111142	1.22	111142	111142	1.22	1.22	111142
(b)	NBFCs registered with RBI									
(c)	Employee Trusts									
(d)	Overseas Depositories (holding DRs) (balancing figure)									
(e)	Any Other (specify)	527	437444	437444	4.82	437444	437444	4.82	4.82	426617
Sub-Total (B)(3)		6409	2306069	2306069	25.40	2306069.00	2306069	25.40	25.40	2100745
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		6418	2316640	2316640	25.52	2316640.00	2316640	25.52	25.52	2101436

Details of the shareholders acting as persons in Concert for Public

Details of Shares which remain unclaimed for Public

C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder									
(1)	Custodian/DR Holder - Name of DR Holders (If Available)									
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2)										
Total (A+B+C2)		6420	9079160	9079160	100.00	9079160.00	9079160	100.00	100.00	8863956
Total (A+B+C)		6420	9079160	9079160	100.00	9079160.00	9079160	100.00	100.00	8863956



Disclosure of notes on shareholding pattern

Add Notes

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Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
54/1446 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 3099444, 2317805
Fax : 0484 2310568
Email : ro@nittagelatin.com

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkannad
Cochin - 682 042 India
Tel : 0484 3099333, 2415506
Fax : 0484 2415504
Email : gd@nittagelatin.com

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 3099333, 2719490
Fax : 0480 2719943
Email : od@nittagelatin.com

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

Post-Merger –Shareholding Pattern (as on 01.04.2017)

There is no change in Equity Shareholding Pattern in Post- Merger, since as consideration for merger no equity shares are issued but only Redeemable Preference Shares are issued.

For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary





ANNE XURE - F 2

Reva Proteins Limited

Regd. Office: 54/1446
SBT Avenue, Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 2317805, 3099444
Fax : 0484 2310568
E-mail : general@revaproteins.com

Plot No. 832
GIDC Industrial Estate
Post Bag No. 37
Jhagadia P.O., Bharuch Dist.
Gujarat - 393 110, India
E-mail : projects@revaproteins.com

Annexure F2

31.03.2017

Pre-Merger Shareholding Pattern-31.03.2017

Sln.	Shareholders	No. of Shares	Percentage
1	Nitta Gelatin India Limited	14,060,520	74.55%
2	Nitta Gelatin Inc	4,800,000	25.45%
		18,860,520	100.00

For REVA PROTEINS LIMITED

G. RAJESHKURUP
Company Secretary



77



Reva Proteins Limited

Regd. Office: 54/1446
SBT Avenue, Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 2317805, 3099444
Fax : 0484 2310568
E-mail : general@revaproteins.com

Plot No. 832
GIDC Industrial Estate
Post Bag No. 37
Jhagadia P.O., Bharuch Dist.
Gujarat - 393 110, India
E-mail : projects@revaproteins.com

01.04.2017

Post Merger Shareholding pattern-01.04.2017

**Since the company is fully merged with transferee Company,
there is no Post - Merger shareholding.**

For REVA PROTEINS LIMITED

G. RAJESHKURUP
Company Secretary





ANNEXURE G I

Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

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CIN : L24299KL1975PLC002691

Website : www.gelatin.in

ANNEXURE

The financial details and capital evolution of the Transferee Company for the previous 3 years as per the audited statement of Accounts:

A. Transferee Company

Name of the Company: Nitta Gelatin India Limited

	Financial details as on	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	31/12/2017	2016-17	2015-16	2014-15
Equity Paid up Capital	9,079,1600	9,079,1600	9,079,1600	9,079,1600
Reserves and surplus	1,363,868,652	1,470,243,392	1,246,888,599	1,125,207,414
Carry forward losses				
Net Worth	1,454,660,252	1,719,035,032	1,495,680,239	1,215,999,014
Miscellaneous Expenditure				
Secured Loans	659,766,588	427,831,384	478,767,633	525,890,705
Unsecured Loans	185224651	65,351,929	65,075,413	-
Fixed Assets	903,437,863	895,772,775	872,320,197	856734148
Income from Operations	2,378,015,433	3,302,618,828	3,585,688,884	3,591,317,447
Total Income	2,412,487,667	3,346,579,984	3,609,850,638	3,611,570,166
Total Expenditure	2,269,843,337	3,069,061,104	3,345,537,065	3,511,298,223
Profit before Tax	142,644,330	277,518,880	264,313,573	100,271,943
Profit after Tax	90,873,092	175,081,100	166,864,226	51,019,943
Cash profit	227,278,619	382,658,504	358,614,136	204,115,429
EPS	10.01	19.28	17.33	5.62
Book value	10.00	10.00	10.00	10.00

Note: Financials as on 31/12/2017 are based on IND AS and previous years figures are based on Indian Gaap

Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.

Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor.



NITTA GELATIN INDIA LIMITED
 REGD. OFFICE : 54/1446, PANAMPILLY NAGAR, ERANAKULAM, KL - 682036 IN
 (Corporate Identification number : L24299KL1975PLC002691)
 Email: investorcell@nittagelindia.com
 Tel: +91- 484-2317805 / Fax : +91-484-2310568

(₹ in lakhs, except per share data)

Statement of unaudited financial results for the quarter & nine months ended 31 December 2017						
Sl No	Particulars	Quarter ended			Nine months ended	
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income from operations					
	(a) Revenue from operations	9,492	8,067	8,291	23,780	26,241
	(b) Other income	218	47	34	345	438
	Total Income	9,710	8,114	8,325	24,125	26,679
2	Expenses					
	(a) Cost of materials consumed	4,784	4,851	3,952	13,924	13,401
	(b) Purchases of stock-in-trade	-	117	-	117	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	508	(1,119)	269	(1,664)	303
	(d) Excise duty on sales (Refer Note 4)	-	-	291	197	874
	(e) Employee benefits expense	788	776	678	2,279	2,060
	(f) Finance Costs	116	114	128	342	348
	(g) Depreciation and amortisation expense	294	281	268	846	775
	(h) Other expenses	2,307	2,380	2,131	6,658	6,385
	Total Expenses	8,797	7,400	7,717	22,699	24,146
3	(Loss)/Profit from operations before exceptional items (1-2)	913	714	608	1,426	2,533
4	Exceptional items	-	-	-	-	-
5	(Loss)/Profit from ordinary activities before tax (3 - 4)	913	714	608	1,426	2,533
6	Tax expense					
	-Current tax	415	327	268	764	882
	-Tax for earlier years	-	-	-	-	-
	-Deferred tax	(80)	(73)	(59)	(247)	3
7	(Loss)/ Profit from ordinary activities after tax (5 - 6)	578	460	399	909	1,648
8	Extraordinary items	-	-	-	-	-
9	(Loss)/ Profit for the period (7 - 8)	578	460	399	909	1,648
10	Other comprehensive income (net of tax expense)	23	16	-	60	2
11	Total Comprehensive income/ (Loss) for the period (9+10)	601	476	399	969	1,650
12	Paid-up equity share capital (Face value ₹ 10/share)	908	908	908	908	908
13	Earnings/ (loss) per Share (not annualised)					
	a) Basic: (₹)	6.37	5.07	4.39	10.01	18.14
	b) Diluted: (₹)	6.37	5.07	4.39	10.01	18.14



1. The Company has adopted, Indian Accounting Standards prescribed under Section 133 of The Companies Act 2013 (Ind AS) from 01 April 2017 and accordingly these financial results and all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 - Interim Financial Reporting read with relevant rules issued thereunder and the other accounting principles generally accepted in India and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) regulation 2015 and amendment thereon. The opening Balance sheet as at 01 April 2016 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year ended 31 March 2018.
2. The Company has availed the exemption in respect of submission of Ind AS compliant financial information for the previous year ended 31 March 2017 along with the Statement, in accordance with the SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors and differences in the accounting principles adopted by the Company on transition to Ind AS have been reviewed by the Statutory Auditors.
3. The reconciliation of net profit as previously reported (referred to as 'previous GAAP') and the total comprehensive income/ (loss) as per Ind AS for the quarter and nine months ended 31 December 2016 is as per table below:

Particulars	For quarter ended 31 Dec 2016	For nine months ended 31 Dec 2016
	Unaudited	Unaudited
Net profit as per previous GAAP	526	1,603
Ind AS Adjustments		
(i) Measurement of financial assets and liabilities at amortised cost	(41)	(121)
(ii) Measurement of forward contracts	(125)	77
(iii) Measurement of investments at fair value through profit and loss	18	52
(iii) Guarantee commission on corporate guarantees issued to subsidiaries	5	15
(iv) Expected credit Loss on trade receivables	(1)	(4)
(v) Gain/ loss on loans hitherto taken to reserves previously now rectified	(50)	49
(vi) Deferred tax impact on above Ind AS adjustments	67	(23)
Profit after tax as reported under Ind AS	399	1,648
Other comprehensive income (net of tax)	-	2
Total comprehensive income as reported under Ind AS	399	1,650

4. According to the requirements of SEBI (Listing and Disclosure Requirements) Regulations 2015, revenue for three months and nine months ended December 31, 2016, nine months ended December 31, 2017, are reported inclusive of excise duty. The Government of India has implemented Goods & Service Tax (GST) from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per IND AS 18, the revenue for the three months ended September 30, 2017 and December 31, 2017, is reported net of GST.



5 SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ In Lakhs)

Sl No	Particulars	Quarter ended			Nine months ended	
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue					
	(a) Segment-A - Export Sales					
	(i) Japan	2,448	1,785	1,133	5,188	4,161
	(ii) United States of America	1,014	481	1,253	2,387	3,836
	(iii) Indonesia	666	874	829	2,256	2,737
	(iv) Rest of the world	576	226	623	1,305	1,914
	Export Incentive	110	77	157	298	513
		4,814	3,443	3,995	11,434	13,161
	(b) Segment-B - Domestic Sales/ Other operating income	4,678	4,624	4,296	12,346	13,080
	Total	9,492	8,067	8,291	23,780	26,241
	Less: Inter Segment Revenue	-	-	-	-	-
	Net sales/income from operations	9,492	8,067	8,291	23,780	26,241
2	Segment Results (Profit(+)/Loss(-))					
	before tax and interest from each segment					
	(a) Segment-A - Export Sales	1,098	522	782	2,346	3,249
	(b) Segment-B - Domestic Sales	464	427	660	1,300	1,996
	Total	1,562	949	1,442	3,646	5,245
	Less: (i) Interest	116	114	128	342	348
	(ii) Other Un-allocable expenditure net of Un-allocable income	533	121	706	1,878	2,364
	Total (Loss)/Profit before Tax	313	714	608	1,426	1,533

- 6 i) The Company is engaged in the manufacture and sale of products which form part of one product group in both export and domestic markets. Accordingly, revenue earned from these two different markets constitute the primary basis of segmental information.
- ii) Capital employed as also assets and liabilities of the Company are not capable of being stated segment wise since all the assets and liabilities are held under composite undertaking for both the geographic segments.
- iii) Segment results are not capable of being stated by specific geography and hence have not been presented.
- 7 The Board of Directors have approved a scheme of merger of its subsidiary company – Reva Proteins Limited with the company, in their meeting held on 03rd February 2018 in view of the operational synergies emerging out of the said restructuring. The scheme provides for issuance of 44,44,444 Nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in Reva Proteins Limited. The merger is proposed to be undertaken through a Scheme of amalgamation under Section 230-232 of the Companies Act, 2013 to be filed with the National Company Law Tribunal with the appointed date 1st April 2017 or as maybe directed by the National Company Law Tribunal and is subject to approval by the shareholders, lenders, creditors & other regulatory approvals in this regard. In view of the above, positive network and cash flows in the near future, no provision has been considered necessary for the loans and advances due from the said Reva Proteins Limited.

During the quarter, based on an independent valuation, the Company has made a provision of Rs. 1704 lakhs as impairment in the carrying value of its investment in Reva Proteins Limited. In accordance with the provisions of IND AS 101, First time adoption of Indian Accounting Standards, the same has been adjusted with the opening reserves as at 1st April 2016.

- 8 The above results, have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 3rd February 2018 and limited review have been carried out by the Statutory Auditors of the Company.
- 9 Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view.



Kochi
February 03, 2018

For Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

(₹ in lakhs, except per share data)

Statement of unaudited financial results for the quarter & nine months ended 31 December 2017									
Sl No.	Particulars	Quarter ended		Nine months ended		Quarter ended		Nine months ended	
		31-Dec-17	Unaudited	31-Dec-17	Unaudited	31-Dec-16	Unaudited	31-Dec-16	Unaudited
1	Total Income	9,710		24,125		8,325		26,679	
2	Net Profit / (Loss) for the period (before Tax, Exceptional and Extra ordinary items)	913		1426		608		2533	
3	Net Profit / (Loss) for the period before Tax (after Exceptional and Extra ordinary items)	913		1426		608		2533	
4	Net Profit / (Loss) for the period after Tax (after Exceptional and Extra ordinary items)	578		909		399		1648	
5	Total Comprehensive Income for the period [Comprising Profit/ (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	601		969		399		1650	
6	Equity Share Capital	908		908		908		908	
7	Earnings Per Share (not annualised)								
	a) Basic: (₹)	6.37		10.01		4.39		18.14	
	b) Diluted: (₹)	6.37		10.01		4.39		18.14	

Notes:

- The above results, have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 31st February 2018 and limited review have been carried out by the Statutory Auditors of the Company.
 - The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the stock exchange website - www.bseindia.com and on the company's website - www.gelatin.in
 - The Company has adopted, Indian Accounting Standards prescribed under Section 133 of The Companies Act 2013 (Ind AS) from 01 April 2017 and accordingly these financial results and all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in IND AS 34 - Interim Financial Reporting read with relevant rules issued thereunder and the other accounting principles generally accepted in India and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) regulation 2015 and amendment thereon. The opening Balance sheet as at 01 April 2016 and the results for the subsequent periods would be finalised and will be subject to audit at the time of annual financial statements for the year ended 31 March 2018.
 - The Board of Directors have approved a scheme of merger of its subsidiary company - Reva Proteins Limited with the company, in their meeting held on 03rd February 2018 in view of the operational synergies emerging out of the said restructuring. The scheme provides for issuance of 44,444 Nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in Reva Proteins Limited. The merger is proposed to be undertaken through a Scheme of amalgamation under Section 230-232 of the Companies Act, 2013 to be filed with the National Company Law Tribunal with the appointed date 1st April 2017 or as maybe directed by the National Company Law Tribunal and is subject to approval by the shareholders, lenders, creditors & other regulatory approvals in this regard. In view of the above, positive networth and cash flows in the near future, no provision has been considered necessary for the loans and advances due from the said Reva Proteins Limited.
- During the quarter, based on an independent valuation, the Company has made a provision of Rs. 1704 lakhs as impairment in the carrying value of its investment in Reva Proteins Limited. In accordance with the provisions of IND AS 101, First time adoption of Indian Accounting Standards, the same has been adjusted with the opening reserves as at 1st April 2016.
- Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view.
 - According to the requirements of SEBI (Listing and Disclosure Requirements) Regulations 2015, revenue for three months and nine months ended December 31, 2016, nine months ended December 31, 2017, are reported inclusive of excise duty. The Government of India has implemented Goods & Service Tax (GST) from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per IND AS 18, the revenue for the three months ended September 30, 2017 and December 31, 2017, is reported net of GST.
 - The Company has availed the exemption in respect of submission of Ind AS compliant financial information for the previous year ended 31 March 2017 along with the Statement. In accordance with the SEBI Circular CIR/CFD/62/2016 dated 5 July 2016. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors and differences in the accounting principles adopted by the Company on transition to Ind AS have been reviewed by the Statutory Auditors.

For Nitta Gelatin India Limited

Sajiv K. Menon
 Managing Director
 DIN : 00168228

Kochi
 February 03, 2018

Walker Chandlok & Co LLP

Walker Chandlok & Co LLP
7th Floor, Modayil Centre Point
Warriam Road Jn., M G Road
Kochi 682016
India

T +91 484 4064541

Independent Auditor's Review Report on Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Nitta Gelatin India Limited

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of Nitta Gelatin India Limited ('the Company') for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable {Indian Accounting Standards specified under section 133 of the Companies Act, 2013/Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



Walker Chandiok & Co LLP

4. We draw attention to note 7 to the financial results, regarding the Company's advances to its subsidiary aggregating to INR 719 lacs as at 31 December 2017, which are considered as fully recoverable based on the positive net-worth and expected cash flows in the near future of the subsidiary company as described in the aforesaid note. Accordingly, no provision against the aforesaid balance have been recognised in the accompanying financial results. Our review report is not modified in respect of this matter.
5. The Company had prepared separate financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016, in terms of the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with applicable accounting standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other accounting principles generally accepted in India. The financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016 were reviewed by the predecessor auditors, Varma & Varma, who had issued an unmodified report dated 6 February 2017 on such financial results. These financial results have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been reviewed by us in respect of financial results for the quarter ended 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 2016. Our report is not modified in respect of this matter.
6. The Company has availed the exemption in respect of submission of Ind AS compliant financial information for the previous year ended 31 March 2017 along with the Statement, in accordance with the SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016. Hence, the Statement does not include the comparative financial information for the aforementioned period.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Aashish Arjun Singh
per Aashish Arjun Singh

Partner

Membership No. 210122

Bengaluru

3 February 2018



41st Annual Report
2016-17

Live Life to the Fullest



Nitta Gelatin India Limited

(80 to 239)

Dear Shareholders



KOICHI OGATA
PRESIDENT



India is cementing its position as the fastest growing economy amongst the major economies of the world and the Nitta Gelatin Group is excited to be a part of this growth story. Our operations span close to a century and our successful journey is replete with path breaking initiatives, creating new business avenues and turning adversities into opportunities, consolidating our leadership position in the industry. True to this, Nitta Gelatin India Limited has grown from strength to strength, seizing on opportunities while overcoming adversities with tenacity.

The growth in the global Gelatin market is driven by an increasing demand for functional and processed foods, rising disposable incomes in emerging markets and increasing health awareness. The support of the Nitta Gelatin Group will always be forthcoming, as NGIL reinforces its presence both in the Indian and the global markets, leveraging state of the art Japanese technology and our wide market reach, to anticipate and cater to current and emerging expectations of our customers.

The Nitta Gelatin Group strongly demonstrates our commitment to be a responsible corporate citizen and in protecting the environment around our manufacturing locations, by making substantial investments in technology and actively partaking in a number of welfare projects. NGI, Japan has expressed our keenness to participate in such projects undertaken in India through our financial support and in other ways to supplement the efforts by NGIL and our proposal is pending approval of the Government of India. Apart from its world class environment management infrastructure, NGIL has been taking up a number of projects to enhance the quality of life of the people in the communities in which we operate. It is heartening that the National Green Tribunal has upheld many of NGIL's contentions and held as baseless the allegations that have been hurled against us by a small group of people trying to create obstacles to disrupt the operations of the Company.

NGIL and its subsidiary Companies will continue to play a pivotal role in the future growth of the group. By harnessing the technology capabilities of the Nitta Gelatin Group and by adhering to the value systems and ethical practices evolved over many years, I firmly believe that NGIL will emerge even stronger as we move forward.

On my part, let me reiterate the Nitta Group's commitment to the growth and success of NGIL.

I look forward to your continued support in this journey.

Best regards,

Koichi-Ogata
KOICHI OGATA

Nitta Gelatin Inc.

2-22, Futamata, Yao-City, Osaka, 581-0024, Japan



PAUL ANTONY I.A.S
Addl. Chief Secretary
(Industries & Power)



I am glad that the Company has had another good year in terms of its performance despite some of the challenges that it has had to deal with. The Kerala State Industrial Development Corporation (KSIDC), as a premier industrial promotion organisation under the Government of Kerala, is proud of its long standing association as a co-promoter of the Company.

The Indian economy is on a robust growth track and our Gross Domestic Product which grew by around 7% in 2016-17 is expected to only accelerate during the current year. The Government of Kerala is actively pursuing a number of initiatives to enhance the ease of doing business in Kerala to catalyse industrial development in the State. KSIDC would always be supportive of measures that will further strengthen the performance and growth of the Company.

The deficient rainfall last year had led to the need for imposition of restrictions on the intake of fresh water by manufacturing units in Kerala but with the prediction of a favourable monsoon, this should be behind us soon. Availability of raw material of the required quality has also been a challenge for the Company. I am happy that despite these challenges, the Company has, through a number of focussed initiatives, been able to enhance its cost and operational efficiencies, thereby recording healthy profits.

The major investments made during the last few years both in upgrading its environment management system and in a number of projects to contribute towards the welfare of the communities around its operating locations, is a clear indication of your Company's firm commitment for protection of the environment and contribution to the well being of the society in which it operates. I am glad that the Company has spearheaded a number of projects in the areas of water supply, sanitation, education, health and women empowerment as a part of its Corporate Social Responsibility initiatives, benefiting a large number of people living in the area around its factories.

Let me assure you the continued support and commitment of KSIDC and the Government of Kerala to the future endeavours of the Company and wish the Company the very best in the years ahead.

Best regards,

Paul Antony

PAUL ANTONY

**Industries & Power
Government of Kerala
Thiruvananthapuram - 695 001, Kerala**

NITTA GELATIN INDIA LIMITED
(CIN : L24299KL1975PLC002691)



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Annual Report 2016-17

BOARD OF DIRECTORS

Chairman : **PAUL ANTONY, IAS**

Directors : **KOICHI OGATA**

Dr. M. BEENA, IAS

A. K. NAIR

K. L. KUMAR

RADHA UNNI

Dr. NAOTOSHI UMENO

Dr. K. CHERIAN VARGHESE

Dr. SHINYA TAKAHASHI,

Director (Technical)

Managing Director : **SAJIV K. MENON**

Chief Financial Officer : P. Sahasranaman

Company Secretary : G. Rajesh Kurup

Statutory Auditors : Varma & Varma
Ernakulam

Secretarial Auditor : Abhilash Nediylalil Abraham.

Bankers : State Bank of India

Canara Bank

State Bank of Travancore

HDFC Bank Ltd.

IDBI Bank Ltd.

South Indian Bank Ltd.

Legal Advisors : 1) M. Pathrose Mathai

Senior Advocate, Ernakulam

2) B.S. Krishnan

Senior Advocate, Ernakulam

Registrar &

Share Transfer Agents : Cameo Corporate Services Ltd.

1, Club House Road, Chennai - 600 002

Tel : 044-28460390; Fax : 044-28460129

E-mail : cameo@cameoindia.com

Registered Office : Post Bag No. 4262

54/1446, Panampilly Nagar P. O.

Kochi - 682 036

Factory

: OSSEIN DIVISION

Kathikudam P. O., (Via) Koratty

Trichur District - 680308

GELATIN DIVISION

KINFRA Export Promotion

Industrial Parks Ltd. P. B. No. 3109

Kusumagiri P. O., Kakkanad, Kochi-682 030

Website

: www.gelatin.in

SUBSIDIARY COMPANIES

BAMNI PROTEINS LTD. : PO Dudholi - Bamni, Via Ballarpur 442 701, Dist. Chandrapur, Maharashtra, India.

REVA PROTEINS LTD. : Plot No. 832, GIDC Industrial Estate, Jhagadia 393 110, Dist. Bharuch, Gujarat, India.

Board of Directors



Paul Antony, IAS
Chairman



Sajiv K. Menon
Managing Director



Dr. Shinya Takahashi
Director(Technical)



Dr. M. Beena, IAS
Director



Koichi Ogata
Director



A. K. Nair
Independent Director



K. L. Kumar
Independent Director



Radha Unni
Independent Director



Dr. Naotoshi Umeno
Independent Director



Dr. K. Cherian Varghese
Independent Director

FINANCIAL HIGHLIGHTS (10 Years)

(Rs. in lakhs)

	2007.08	2008.09	2009.10	2010.11	2011.12	2012.13	2013.14	2014.15	2015.16	2016.17
Total Income	14585.97	18645.02	19479.94	20638.94	24694.12	30897.61	28936.04	36115.70	36098.51	33465.79
Sales*	14638.14	18247.75	18940.60	19650.08	23810.08	29714.01	28030.33	34857.35	34706.54	32110.00
Exports (FOB)	7950.32	10141.82	9476.42	10092.68	13829.03	15620.93	16296.11	18274.81	17763.16	16608.93
Pre-tax Profit / (Loss)	728.91	2466.38	3076.36	251.45	653.48	2613.01	(731.05)	1002.72	2643.13	2775.19
Profit / (Loss) after tax	666.07	1501.94	2546.14	189.15	508.08	1558.30	(495.92)	510.20	1668.24	1750.81
Earning per share (Rs.)	7.93	17.88	30.31	2.25	6.05	17.35	(5.47)	5.62	17.33	19.28
Dividend per share (Rs.)	1.50	3.00	6.00	4.00	4.00	4.00	-	1.00	2.50	2.50
Reserves & Retained Earnings	6776.98	7984.09	9942.52	9739.87	9857.44	11070.49	10634.70	11252.07	12468.89	14702.43
Share Capital	840.00	840.00	840.00	840.00	840.00	840.00	907.92	907.92	2487.92	2487.92
Shareholders' Funds	7590.66	8824.09	10782.52	10579.87	10697.44	11910.49	11542.62	12159.99	14956.81	17190.35
Return on Equity (%)	8.77	17.02	23.61	1.79	4.75	13.08	(4.30)	4.20	11.16	10.18
Book Value / Share (Rs.)	90.36	105.05	128.36	125.95	127.35	141.79	127.13	133.93	147.34	171.94
Gross Block	12402.03	13609.38	14336.36	15674.24	16299.51	17106.60	19515.84	20836.92	21817.54	22789.97
Net Block	5384.24	5756.45	6297.74	6813.56	6867.78	6794.23	8158.60	7727.07	8027.28	7862.77

*Sales is net of excise duty on domestic sales and freight & insurance on export sales.

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of the members of Nitta Gelatin India Limited will be held on **Saturday, the 24th June, 2017 at 12 Noon, at Kerala Fine Arts Hall, Fine Arts Avenue, Pallimukku, Cochin 682 016** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2017, together with the Report of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017, together with the Report of the Auditors thereon.
2. To declare Dividend on Optionally Convertible Preference Shares – 929412 Shares of Rs. 170/- each @5.4029% p.a. absorbing an amount of Rs.85,36,584.00 (excluding Dividend Tax).
3. To declare Dividend on Equity Shares.
4. To appoint a Director in place of Mr. Koichi Ogata (DIN : 07811482) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors in place of retiring Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as an

ORDINARY RESOLUTION.

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Walker Chandio & Co LLP (WCC LLP) Chartered Accountants (Firm Registration No:001076N/N500013) be and is hereby appointed as Statutory Auditors of the Company in place of M/s. Varma & Varma., Chartered Accountants, Kochi (Firm Registration No.004532S), the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 46th Annual General Meeting of the Company, at an annual remuneration of Rs. 11.50 Lakhs plus out-of-pocket expenses subject to ratification by the Annual General Meeting(s) during each of the succeeding years following this meeting”.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Sajiv K. Menon (DIN: 00168228) as Managing Director

To consider and if thought fit, to pass the following Resolution with or without modification, as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 121(1) of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sajiv K. Menon (DIN: 00168228), as Managing Director of the Company for a period of three years with effect from 01.04.2017 on the following terms and conditions:-

1. Basic Pay : Basic pay will be Rs. 3,32,750/- per month as on 1.4.2017 with an annual increment of 10% of the Basic pay.
(A 10% increase on present basic pay of Rs. 3,02,500/-)
2. Housing: House Rent Allowance @50% of Basic Pay will be paid per month.
3. Personal Allowance* : Personal Allowance payable will be Rs. 3,75,317/-per month.
4. Incentive* : The maximum incentive payable will be Rs. 3,32,750/- per month and minimum Rs. 1,33,100/- per month as per the calculations attached.
5. Leave Travel Concession* : The Leave Travel Concession payable shall not exceed Rs. 5,32,400/- per annum.
6. Furnishing, Gas, Electricity and Water: Reimbursement of actual expenses incurred on Gas, Electricity, Water and Furnishing subject to a yearly ceiling of 20% of Basic Pay.
7. Medical Benefits

One month's Basic Pay which can be availed as per rules applicable to the management staff of the Company.

8. Personal Accident Insurance: The annual premium not to exceed Rs. 12,000/- to the Company.
9. Leave and Leave Encashment: As per rules applicable to management staff of the Company.
10. Entertainment Allowance: Entertainment allowance @ 10% of Basic Pay will be paid per month.
11. Provident Fund: Company's contribution to the Provident Fund at rates as per Company's rules (currently 12% of Basic Pay).
12. Gratuity: 15 days' salary at the last drawn Basic Pay for every completed year of service.
13. Car: Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.
14. Telephone: Free telephone, internet and fax facility will be provided at residence.
15. Club Membership : Membership fee of any two clubs will be reimbursed. No admission or life membership fees will be paid.
16. Minimum Remuneration : In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
17. Period of Appointment: Period of appointment will be for three years with effect from 1st April, 2017.
18. Termination of Term of Office: The Company shall have the right to terminate the term of office of the Managing Director at any time by giving notice of not less than three months in writing or three months' salary and allowances in lieu thereof. The Managing Director shall also have the right to relinquish his office at any time before the expiry of his term by giving notice of not less than three months.

**Indexed to the proposed basic in the same percentage as fixed in the previous contract. Other components are in line with the existing contract. These compensation components would remain unchanged during the tenure of the contract.*

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to decide on all such other acts and steps as might be required for effecting and regularizing such appointment and remuneration."

7. To appoint Dr. Shinya Takahashi (DIN:07809828) as a Whole-time Director designated as Director (Technical)

To consider and if thought fit, to pass with or without modification(s) the following resolutions as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), Dr. Shinya Takahashi (DIN : 07809828) who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 121 of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Dr. Shinya Takahashi (DIN : 07809828) as Whole-time Director designated as Director (Technical), of the Company for a period of 2 (two) years with effect from 09.05.2017 on the following terms and conditions :

1. Basic Pay: Rs.1,35,000/- per month
2. Designation: Director (Technical)
3. Location of work: Nitta Gelatin India Limited, Post Box. 4262, 54/1446, SBT Avenue, Panampilly Nagar, Kochi - 682036, India.
4. Period of appointment: Two years from 09.05.2017
5. Housing : He shall be eligible for House Rent Allowance @50% of Basic Pay per month.
6. Medical Benefits: Reimbursement of actual medical expenses incurred for self and family subject to an yearly ceiling of Rs.15,000/-. Unavailed medical benefit for any year shall be allowed to be carried forward to the next year.

7. Leave Travel Concession: Return passage for self and family once in a year by air by Economy Class, to and from his place of residence in Japan.
8. Personal Accident Insurance : Shall be covered under a personal accident insurance policy at an annual premium not to exceed Rs. 6,000/- to the Company.
9. Car : Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.
10. Telephone : Free telephone and internet facility will be provided at residence.
11. Income tax liability arising out of the above will have to be borne by the employee.
12. Reporting Relationship : Director (Technical) shall functionally report to the Managing Director.
13. Minimum Remuneration : In the event of loss or inadequacy of profits in any financial year, the Director (Technical) shall be paid remuneration by way of salary and perquisites as specified above

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to decide on all such other acts and steps as might be required for effecting and regularizing such appointment and remuneration.”

8. Approval for entry into Related Party Transaction by the Company

To consider and, if thought fit, to pass with or without modification(s) the following as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of the Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and read with Regulation 23(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company by way of an Ordinary resolution be and is hereby accorded to the Board of Directors (herein after called “the Board” which term shall be deemed to include any Committee which the Board may constitute for the purpose) for execution of contracts by the Company with

Nitta Gelatin Inc, Japan, and Nitta Gelatin NA Inc., USA, Reva Proteins Limited with whom the Company has common directorship to sell, purchase, or supply any goods or material and to avail or render any service of any nature, whatsoever, as Board in its discretion may deem proper, subject to complying with the procedures to be fixed by the Board or its Committee, upto an amount and as per the terms and conditions mentioned under item No. 8 of the explanatory statement with respect to transactions proposed, and annexed hereto with notice.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters, and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution”.

By Order of the Board,

Kochi
09.05.2017

G. Rajesh Kurup
Company Secretary
M.No: A8453

Notes:

1. The Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
3. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's Registered

Office not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed herewith.

4. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 19th June, 2017 to 24th June, 2017 (both days inclusive) to determine the members, entitled to receive dividend which will be declared at the Annual General Meeting.
5. The dividend, if declared at the meeting will be paid on or after 1st July, 2017 to those Shareholders whose names appear on the Register of Members as on Record date.
6. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
7. Members are requested to notify the Registrar and Share Transfer Agent immediately of their Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective Depository Participant in the case of demated shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/default.
8. The Company has appointed Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.
9. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demated shares.
10. Members may kindly update their email address with the Company/ Registrar Cameo Corporate Services such that correspondence reach you without fail.
11. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the Company on request.
12. Members desiring any information as regards the accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of meeting to enable the management to keep the information ready.
13. Members are requested to note that trading of Company's shares through Stock Exchanges is permitted only in electronic/ demat form. Those members who have not yet converted

their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.

14. Members attending the Annual General Meeting are requested to bring with them the ATTENDANCE SLIP sent along with the Annual Report.
15. The business also to be transacted through electronic voting system and the Company is providing facility for voting by electronic means including remote e voting.
16. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter, shall be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Dividend paid during the year 2009-10 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 27th August, 2017. Besides, there has now been a change in the applicable provisions under the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, which now additionally mandate a transfer of the corresponding shares as well, to the IEPF regarding which adequate notice was also given by the Company through individual notices to shareholders at their registered address, newspaper advertisement and information in the official website. Such shares shall be credited to the Demat account of the IEPF Authority latest by 30th June, 2017. Anybody whose dividends and corresponding shares are thus involved, may immediately contact the Company/its Compliance Officer.
17. In case of joint holders attending the meeting, the member whose name appears as per Register of Members of the Company will be entitled to vote
18. Voting through electronic means
Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended upto date, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to offer remote e voting facility to the members to cast their votes electronically as an alternative to participation at this Annual General Meeting (AGM)). Please note that the remote e-voting through electronic means is optional. The Company is also providing the facility of poll at the meeting

by way of ballot. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide remote e-voting facilities. The remote e voting facility is available at the link <https://www.evotingindia.com>

The Company had fixed Saturday, 17th June, 2017 as the cutoff date for determining voting right of shareholders entitled to participating in the e-voting process. In this regard, your demat account/folio number has been enrolled by the Company for your participation in e voting on resolutions placed by the Company on e voting system.

The e voting facility will be available during the following period:

Commencement of remote e-voting	End of remote e-voting
Wednesday, 21st June, 2017 at 9:00 a.m	Friday, 23rd June, 2017 at 5:00 p.m

During this period, members of the Company may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the member shall not be allowed to change it subsequently as well as not allowed to vote at the meeting.

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on 17th June, 2017.

The instructions for members for remote voting electronically (both for physical shareholders as well as demat holders) are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "NITTA GELATIN INDIA LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, please follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN field . In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. <p>eg.: If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field in order to login.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for NITTA GELATIN INDIA LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Playstore. Apple and Windows phone users can download the app from the app store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- a) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- b) After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- c) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- d) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or send an email to helpdesk.evoting@cdslindia.com.
 - The Company has appointed Mr Abhilash Nediyaalil Abraham (M No. 22601 and C.P No. 14524) as the Scrutinizer for conducting the remote e- voting process in fair and transparent manner.
 - The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report on the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or the person authorized by him shall declare the result of the voting forthwith.
- The Results declared, along with the scrutinizer's Report, shall be placed on the Company's website www.gelatin.in. and on the website of CDSL immediately after the results have been declared by the Chairman. The Company shall simultaneously communicate the results to BSE Ltd., Mumbai, who shall place the same in their web site.

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

Item: 6-Reappointment of Mr. Sajiv K. Menon as Managing Director of the Company

Mr. Sajiv K. Menon was earlier appointed as Managing Director of the Company with effect from 01.04.2014 and confirmed at the Annual General Meeting dated 11.07.2014, for a period of three years ended 31.03.2017. The Board of Directors at their meeting dated 06.02.2017 had, on recommendation by the Nomination and Remuneration Committee, re-appointed Mr. Sajiv K. Menon as Managing Director on consideration of the fact that during his term in office, the performance of Mr. Sajiv K. Menon, was encouraging and satisfactory which deserved favorable consideration in the matter of extending him a second term in office as Managing Director of the Company.

The re-appointment of Mr. Sajiv K. Menon as the Managing Director with effect from 01.04.2017 for a period of three years by the Board and the revision of the terms and conditions of appointment more specifically detailed as part of the Notice, require the approval/confirmation of the Shareholders as per the provisions of the Act 2013 and hence this resolution proposed before the Annual General Meeting of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a part of this Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr Sajiv K Menon and his relatives, are in any way, concerned or interested in the said resolution.

Item No: 7 - Appointment of Dr. Shinya Takahashi as a Wholetime Director designated as Director (Technical)

Dr. Shinya Takahashi replaces Mr. Takeo Yamaki as Whole Time Director of the Company designated as Director(Technical) for a period of two years beginning 09.05.2017 consequent on the latter tendering his resignation with effect from 01.04.2017 on getting reverted to the services of NGI Japan. Dr. Shinya Takahashi was appointed by the Board

of Directors at their meeting dated 09.05.2017 as an Additional Director to hold office upto the date of the Annual General Meeting and additionally as a Whole-time Director. The appointment as Whole-time Director was as per terms and conditions more specifically detailed as part of the notice, which requires approval/confirmation by the Shareholders as envisaged under the provisions of Section 197(4) of the Companies Act, 2013.

Dr. Shinya Takahashi till recently was holding the position of General Manager (Quality Assurance Dept) in Nitta Gelatin Inc, Japan. He holds a Phd from Chiba University and Graduate School of Advanced Integration Science.

Since Dr. Shinya Takahashi is not a resident in India as envisaged under Schedule V Part I of the Companies Act, 2013 (the Act), his appointment by the Board / General Meeting as Director (Technical) necessitates an approval by the Central Government. Your Board of Directors at their meeting dated 09.05.2017, on detailed consideration of the recommendations of Nomination and Remuneration Committee, recommends to the General Body of shareholders, appointment of Dr. Shinya Takahashi as Wholetime Director designated as Director (Technical) on such terms and conditions as are herein proposed and subject to such other approvals by the Statutory and Regulatory Authorities as might be applicable.

The Company has received a notice as envisaged under Section 160 of the Act for appointment of Dr. Shinya Takahashi as a Director.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a part of this Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Dr. Shinya Takahashi and his relatives, are in any way, concerned or interested in the said resolution.

Item No.8: Approval for entry into Related Party Transaction by the Company

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. The provisions of Section 188 (1) of the Companies Act, 2013 that govern the Related Party Transactions,

require that for entering into any contract or arrangement as mentioned therein, with the Related Party(s), the Company must obtain prior approval of the Board of Directors.

As per provisions of Section 188 of Companies Act 2013 and Rules thereunder, amended, if the value of the sale transactions together with the value of transactions entered so far during the year amounts to 10% or more of the turnover of the Company as per the previous audited financial statement in respect of Related Party or Rupees One Hundred Crores whichever is lower, the Company has to obtain prior approval of shareholders by way of Ordinary Resolution.

Further third proviso of Section 188 (1) provides that nothing in that sub-section shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

As per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, even if the related party transaction is material by reason that it amounts to 10% or more of the annual consolidated turnover (taken individually or together), only an approval by way of Ordinary Resolution, need be obtained from the Shareholders of the Company.

In the light of the provisions of the Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related parties for the period 01.10.2017 to 30.09.2018.

All the prescribed disclosures as required to be given under the provisions of the Companies Act 2013 and the Rules thereunder are given below in tabular format for kind perusal of members approval:

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2017 TO 30.09.2018 FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT 2013.

(TRANSACTIONS / CONTRACTS CARRIED OUT IN THE ORDINARY COURSE OF BUSINESS

Name of Related Party	Director / KMP related	Nature of Relationship	Nature of Transaction	Period of Transaction	Maximum value of Transaction (Rs. in lakhs)
Nitta Gelatin Inc., Japan	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc., Japan	Sale of Goods	01.10.2017 to 30.09.2018	15000
	Dr. Shinya Takahashi	Nominee of Nitta Gelatin Inc., Japan	Availing of services	01.10.2017 to 30.09.2018	300
	Hiroshi Nitta	Director and Executive Officer General Manager of R&D Centre, NGI, Japan	Availing of services	01.10.2017 to 30.09.2018	300
Nitta Gelatin NA Inc., USA	Dr. Shinya Takahashi	Nominee of Nitta Gelatin Inc., Japan	Availing of Services	01.10.2017 to 30.09.2018	150
	Hiroshi Nitta	Director and Executive Officer General Manager of R&D Centre, NGI, Japan	Availing of services	01.10.2017 to 30.09.2018	150
	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc., Japan	Availing of services	01.10.2017 to 30.09.2018	150
Reva Proteins Ltd.	Sajiv K. Menon	Managing Director, Nitta Gelatin India Ltd.	Sale of Goods	01.10.2017 to 30.09.2018	8000
	K. L. Kumar	Director, Nitta Gelatin India Ltd.			

Members are hereby informed that pursuant to second proviso of section 188(1) of the Act, no member of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved this item and recommends the resolution as set out in the notice for approval of members of the Company as Ordinary Resolution.

Except Promoter Directors (to the extent of shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives is concerned or interested financially or otherwise in passing of this resolution.

By Order of the Board,

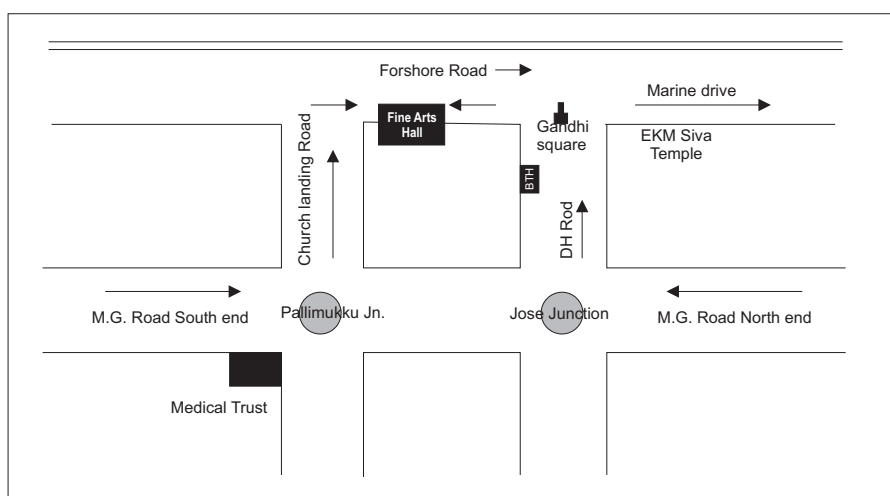
Kochi
09.05.2017

G. Rajesh Kurup
Company Secretary
M.No: A8453

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ APPROVAL OF TERMS OF APPOINTMENT AS REQUIRED UNDER REGULATION 36 (3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

Name	Sajiv K Menon	Koichi Ogata	Dr. Shinya Takahashi
Age (Years)	58	59	56
Nationality	Indian	Japanese	Japanese
Date of appointment / re-appointment	01.04.2017	09.05.2017	09.05.2017
Qualification	B Tech, Chemical Engineering PGDM(Finance & Marketing),IIM, Bangalore, Fulbright scholar at Carnegie Mellon University,US	Bachelor of Science, Tohoku University	Bachelor of General Education &Phd. From Chiba University - Graduates School of advanced integration Science
Expertise	33 Years' experience in various capacities in engineering and chemical industries of which the last 17 years was with the Rs.225 billion Murugappa Group in Leadership position.,	President of NGI, Japan	General Manager (Quality Assurance) NGI, Japan
Other Directorships excluding Foreign Companies	Bamni Proteins Ltd Reva Proteins Ltd	NIL	NIL
Member / Chairman of committees of other companies	Nil	Nil	Nil
Relationship, if any, between Directors interse.	Nil	Nil	Nil
Shareholding in the Company	Nil	Nil	Nil

Route-map to the Venue of AGM



DIRECTORS' REPORT

To

THE MEMBERS OF NITTA GELATIN INDIA LIMITED

Your Directors have pleasure in presenting the 41st Annual Report and audited financial statements for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

(Rs. in Crores)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Sales (including export incentives and net of Excise Duty & VAT)	330.26	358.57
Other Income	4.40	2.42
TOTAL	334.66	360.99
Gross Profit before Depreciation	38.26	35.85
Deducting therefrom:		
Depreciation	10.51	9.43
Provision for Tax -		
- Current Tax	10.14	10.11
- MAT Credit Entitlement	-	(1.98)
- Deferred Tax	1.33	1.13
- Prior years	(1.23)	0.48
Profit after Tax	17.51	16.68
Profit brought forward from previous year	20.91	13.91
Adjustments for asset having no remaining useful life	-	-
Balance Profit available for appropriation	38.42	30.59
Appropriations :		
Proposed dividend on Optionally Convertible Preference Shares	-*	0.79
Proposed final dividend on equity shares	-*	2.27
Tax on dividend	-*	0.62
Transfer to General Reserve	6.00	6.00
Balance profit carried forward to next year	32.42	20.91
Earnings per share (Rs.)		
Basic	19.28	17.33
Diluted	19.28	16.79

* Proposed dividend on preference and equity shares and tax on dividend has not been recognised as a distribution of profit in the current year's accounts in accordance with the revised accounting standard-4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016)

DIVIDEND

The Board has, subject to approval of the members at the ensuing Annual General Meeting, recommended a dividend @ 5.4029% p.a. for the year ended 31st March, 2017 on the 929,412 Optionally Convertible Preference Shares of face value of Rs. 170/- each.

Considering the Company's performance and financial position for the year under review, the Board has also recommended a dividend of Rs. 2.5 per share i.e. 25% of the face value of Rs. 10/- per share on the Equity Capital for the year ended 31st March, 2017, subject to approval of the members at the ensuing Annual General Meeting.

Together with corporate tax on dividend, the total

outflow on account of dividend will be Rs. 375.93 lakhs (including Rs. 102.74 lakhs on preference shares (Rs. 94.88 lakhs in the financial year 2015-16), vis-à-vis Rs. 368.07 lakhs paid for the financial year 2015-16).

During the year, unclaimed dividend of Rs. 2.53 lakhs pertaining to the year ended 31st March, 2009, was transferred to the Investor Education & Protection Fund after giving due notice to the members.

SHARE CAPITAL

The Authorised Share Capital of your Company is Rupees Thirty Five Crores Eighty lakhs and Forty only (comprising of two crores Equity Shares of Rs. 10/- each and 929,412 Optionally Convertible (non-cumulative) Preference Shares (OCPS) of Rs. 170/- each). Nitta Gelatin Inc., (NGI) Japan had not exercised the option to convert the OCPS shares into Equity Shares at the end of 18 months from date of its allotment as per terms of the issue.

RESERVES

An amount of Rs. 600.00 lakhs is transferred to General Reserve during the year. Reserves as on 31.03.2017 comprises of Security Premium Reserve of Rs. 2895.90 lakhs, Capital Investment subsidy of Rs. 15.00 lakhs, Special Export Reserve of Rs. 79.00 lakhs, General Reserve of Rs. 7836.64 lakhs, Hedge Equalisation Reserve of Rs. 633.76 lakhs and credit balance in the Profit and Loss Account of Rs. 3242.13 Lakhs, aggregating to Rs. 14702.43 lakhs.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

Corporate Guarantee for an amount of Rs. 300 lakhs was provided against a term loan of Rs. 300.00 lakhs sanctioned to Reva Proteins Ltd. (RPL) by M/s. Kerala State Industrial Development Corporation Ltd. during the year.

Details in respect of other loans, guarantees and investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes on accounts for the financial year ended 31st March, 2017

PERFORMANCE

The gross revenue from operations of your Company during the year under review was Rs. 341.91 crores; though there has been an increase in the unit sales realization in the case of all our products during the year, increase in sales volumes could not be achieved due to various extraneous factors.

The District Administration of Trichur District, where one of the plants of the Company is situated has ordered reduction in drawal of water by 80% for the period commencing February 2017 and until the onset of monsoon, as a fall out of deficient monsoon. This has affected the operations of Ossein Division of the Company in the IVth quarter impacting revenue. Though the Company could manage to sustain the operations of Gelatin plant, by way of procurements from the local Ossein manufacturers, the disruption in operations has impacted the operational results of the Company in the said quarter.

During the year, the business model of Reva Proteins Ltd., a subsidiary of the Company was changed from a job processor of the Company to an independent manufacturer and seller, with the resultant fall in revenue.

With all the domestic Gelatin plants in full scale operation during the year and the resultant heavy demand for crushed bone, the quality and cost of supplies could not meet the export specifications for Ossein and Limed Ossein. This has led to a reduction in export volumes of Ossein / Limed Ossein by 30% during the year. The sales of Collagen Peptide witnessed a decline due to want of raw material - fish protein- on account of regulatory issues / clearances. In the domestic market, the unduly long delay in granting new product approvals by the regulatory authorities has resulted in poor offtake of Collagen Peptide.

Despite the reduction in volumes as explained above, the total sales turnover could be maintained with improvement in unit sales realization on all the products and the higher volume of Gelatin sales achieved during the year.

The improvement in USD / INR exchange rates during 2016-17 as compared to 2014-15 has also contributed to improved sales realisation on exports.

The increase in price of crushed animal bone, apart from its poor quality as explained above, was not conducive for the profitability of the Company. Crushed bone prices have increased by 4.21% during 2016-17 as compared to the previous fiscal.

In the backdrop of the aforesaid adversities, your Company exercised close monitoring and strict control over each significant element of cost, and achieved appreciable savings. In respect of utilities, the usage of LNG was significantly substituted by firewood and at the same time, efficiency of wood fired boilers has improved. There was significant

reduction in power cost also as a result of various cost control measures in both the Divisions of the Company. Aided also by the decline in the price of LNG and firewood, these measures have helped us to achieve an overall cost reduction of around Rs. 2.58 crores for utilities in comparison to Rs. 6.08 crores achieved in FY 2015-16. Significant savings were also made in factory and Administration overheads by keeping a tight vigil on each item of expenditure and establishing appropriate controls.

With regard to finance cost, Company could effectively leverage low cost foreign currency loans and achieve almost a one third reduction amounting to Rs. 2.34 crores.

The sales mix during the year was such that the Company could achieve a reduction in selling expenses such as freight charges on products, discount and commission on sales, etc. aggregating to Rs. 0.85 crores during the year under review.

As a result of the above, the operations of the Company for the year 2016-17 has resulted in a pre-tax profit of Rs. 27.75 crores as against Rs. 26.43 crores during 2015-16 inspite of drop in revenue following change in the business model of subsidiary Company RPL and disruption in operations in Ossein Division in Q4 of the financial year.

The products of your Company continued to enjoy robust market demand during the year under review. The entire sale of Ossein / Limes Ossein, 52.30% of the total sale of Gelatin and 51.80% of Collagen Peptide was through exports. Your Company has arrangements with our overseas promoter, Nitta Gelatin Inc., Japan to leverage their expertise and market insights in servicing our customers in a pro-active manner in line with the global standards of NITTA Group.

The major production facilities of your Company are the Ossein Plant at Koratty, Trichur District and Gelatin / Peptide Plant at Kakkanad, Ernakulam District, Kerala. All the factories owned by the Company are being operated in strict compliance with the applicable standards / norms prescribed by the Statutory authorities including the State Pollution Control Board. The Kadukutty Panchayat in Trichur District did not renew the factory licence for our Ossein Plant at Koratty for the year. Though the Kerala State Tribunal for Local Self Government Institutions has remanded back to the adjudicating authorities for a review of the orders, Panchayat has not reversed their original decision and we have moved the matter before the High Court of Kerala. The Court has

ordered status quo in the matter till final disposal of the writ petition filed by the Company. The recent review of the effluent management system at Ossein Division by the National Environmental Engineering Research Institute (NEERI) has confirmed the efficacy of the system on the basis of which the Pollution Control Board has renewed the Consent to Operate upto 30.06.2018. Based on expert legal advice, the earlier court verdicts and the facts of the situation as explained above, the Company expects a favourable resolution of the matter.

The National Green Tribunal (NGT) has passed an order dtd 27.02.17, disposing different applications moved before that honorable forum challenging the operations of the company as violative of the environmental regulations in force. The NGT while disposing of the application has concluded that on the analysis of the entire facts and materials that

- there is no material to establish that the industry has discharged sludge along with the treated liquid effluent into the Chalakkudy river.
- The sludge generated by the industry is non-hazardous and non-toxic.
- The effluent treatment plant is functioning efficiently and as of now the discharge of the treated effluent from the ETP to the Chalakudy river has no adverse impact on the river water or the ground water.

However NGT by applying the precautionary principle to avoid any possibility of causing pollution to both air and water in the environment, directed the Company to instal certain equipment to reinforce the effluent treatment process and technologies, besides methods which help recycling of treated effluent and minimize the discharge into the river. The order also gave directions to the Kerala Pollution Control Board (KPCB) for enforcing the standards.

The Order has detailed prescriptions for implementation in a time-bound manner. Whereas there are certain directions which need a relook on a factual as well as, practical consideration of the issues involved, the Company has filed a Petition before the Hon'ble Tribunal for a review of such directions, which is pending consideration

CREDIT RATING

During the year, rating agency CRISIL has reaffirmed the rating of CRISIL A-/ but outlook was revised from "Stable" to "Negative" for Long

Term Instruments and maintained “CRISIL A2+” rating for short term instruments. The change in outlook was following the disruptions in operation in Ossein Division as a result of the restrictions imposed by the District Administration for drawal of water for process requirements from the Chalakkudy river

AWARDS & ACCOLADES

During the year your Company was awarded the top export award in Ossein & Gelatin panel instituted by CAPEXIL for the years 2013 -14 and 2014-15.

The following prestigious certifications are retained by your Company:-

- (a) European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division
 - (b) HACCP Certificate for Ossein Division and Gelatin Division for food safety.
 - (c) ISO 14001:2004 for Gelatin Division for Environment Management System
 - (d) ISO 9001: 2008 for Quality Management System of the Company.
 - (e) FSSC Certification for Food Safety Management System for Gelatin Division
 - (f) Halal / Kosher Certification for Gelatin and Collagen Peptide
 - (g) NABL Accreditation for in-house laboratory
- Besides the Company has newly acquired yet another prestigious recognition / certification, namely:
- (h) OSHAS Certification by NVTQC for Occupational, Health and Safety Standards.

HEALTH, SAFETY AND ENVIRONMENT

Compliance with relevant regulations and effective management of the related issues is an integral part of the Company’s philosophy and your Company stands committed to continually improve on these objectives. The Company, year on year, increases its focus on improving matters relating to Health, Safety and Environment.

1. Health and Safety

The Company is committed to promoting the health and safety of its employees. In addition to the Head (Safety) for the Company, each of the plants of the Company is having a Safety Officer and Safety Committees which include representation from workmen. The Committees

meet regularly to review issues impacting plant safety and employee health. Regular health checkup of the employees is carried out through reputed hospitals. Various training programmes are conducted at the plant on health and safety issues including emergency preparedness, work safety, first-aid, etc. The Company is augmenting resources to further strengthen the level of safety at its plants. Our Gelatin factory has received the OSHAS certification during the year while for the Ossein factory, this is at an advanced stage, which is a testimony to the Company’s commitment in this area.

2. Environment

The Company continuously endeavors to improve on environmental management and through all activities demonstrate its commitment to protecting the environment. The factories of the Company are equipped with modern effluent treatment plants for treating and discharging treated water with parameters well within the norms laid down by the Pollution Control authorities. The emissions from the boilers and generator stacks are regularly monitored for compliance. With the commissioning of two biogas generators at its Ossein plant, substantial portion of the raw effluent from the production process is now being converted into biogas used for meeting the Company’s energy requirements. Diffused Air floatation System for effective grease removal, Primary Treatment System Reinforcement and ETP Automation for sound effluent management system, introduction of Activated Carbon System in Fresh Water Treatment Plant for improving the water quality and improving the process stability, introduction of chemical mixing times for Water Treatment System, instrumentation system for turbidity control and better chlorination, addition of two Jet Aerators in ETP System and commissioning of multi grade Sand Filters before final discharge point of treated water are some of the initiatives carried out during the year to ensure protection of the environment and sustainability of operations.

M/s. National Environmental Engineering Research Institute (NEERI), a constituent laboratory of the Council of Scientific & Industrial Research, Govt. of India, conducted a plant visit for assessment of implementation status of their own recommendations in May 2016 and observed that the Company has complied with the implementation of all the recommendations of NEERI excepting one recommendation i.e. cleaning of weeds along the banks of Chalakkudy

river due to want of approval from Kadukutty Grama Panchayat for carrying out the activity. They have also observed that based on the physio-chemical analysis of various effluent samples of ETP, the final treated effluent being discharged into Chalakudy river conforms to the discharge Standards stipulated by the KSPCB for M/s. NGIL and also the CPCB General Standards for Discharge.

Environment

The Company continuously endeavors to improve on environmental management and through all activities demonstrate its commitment to protecting the environment. The factories of the Company are equipped with effective effluent treatment plants for treating and discharging treated water with parameters well within the norms laid down by the Pollution Control authorities. The emissions from the boilers and generator stacks are regularly monitored for compliance. With the commissioning of two biogas generators at our Ossein plant, substantial portion of the raw effluent from the production process is now being converted into biogas used for meeting our energy requirements. Water recycling and water reuse are being regularly pursued and improved upon by the Company with specific targets.

In connection with the renewal of the Consent To Operate our Ossein plant, M/s. National Environmental Engineering Research Institute (NEERI), a constituent laboratory of the Council of Scientific & Industrial Research, Govt. of India, conducted a detailed study of the pollution status with respect to the air, water and solid waste generated from the Ossein plant and confirmed the efficacy of such systems. However, with a view to further enhance the infrastructure for environment management, water conservation, ambient air quality etc., the Company has mobilized Rs. 15.80 crores through the issue of Optionally Convertible (non-cumulative) Preference Shares. With the completion of this investment, your Company will be equipped with state-of-the-art facilities for management of environment and hence the health and safety of the employees and the local community at large.

The ambient air quality in our Ossein plant is being monitored on a continuous basis to conform to the regulations relating to ambient air quality standards. Out of the total plot area of approximately 1,53,900 sq. meters, about 10,000 sq. meters of land around the boundary of Gelatin Division and about 38,000 sq. meters of

land in Ossein Division have been developed and maintained as green area.

These steps are expected to go a long way in furthering our efforts to protect the nature and environment around our plant.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has formulated a well structured Policy aimed at providing focus and direction to the various activities on CSR. The Company is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged / weaker sections of the society through education, skill development and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation;
- Supporting environmental and ecological balance through afforestation, soil conservation, conservation of flora and similar programmes;
- Promotion of sports through training of sports persons;
- Rural development projects;

Total CSR expenditure incurred by your Company during the year was Rs. 21.42 lakhs which was higher than the statutory requirement of 2% of the average profit for the last three years.

- A CSR Committee has been constituted to act in an advisory capacity to the Board and Management with respect to policies and strategies that affect the Company's role as a socially responsible organization.
- The CSR Committee ensures that the implementation and monitoring of the projects are in compliance with the CSR objectives and Policy of the Company.
- The CSR Policy can be accessed on the Company's website www.gelatin.in. The CSR projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. Annual Report on CSR activities is annexed herewith as Annexure I.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In view of the change in the definition of material subsidiary, Reva Proteins Limited which was a material subsidiary hitherto, was not a material subsidiary as per the LODR Regulations 2015.

In accordance with LODR Regulations, the Company's policy on materiality of subsidiaries specifying the criteria for determining the Material Subsidiaries is available in the Company website www.gelatin.in. There has been no change in the nature of business of subsidiaries during the year under review. However the business model of Reva Proteins Ltd one of the subsidiaries was changed from a job processor of the Company to an independent manufacturer and seller during the year.

As per the above criteria, the Company has no material subsidiary as of today

SUBSIDIARY COMPANIES

BAMNI PROTEINS LIMITED

The annual production during the year in this subsidiary company was 2524 MT of Ossein and 5885 MT of Di Calcium Phosphate as against 2349 MT of Ossein and 5508 MT of Di-Calcium Phosphate during the previous year.

The operation of this subsidiary for the year under review has resulted in a post-tax profit of Rs. 69.14 Lakhs (pre-tax profit of Rs. 107.14 lakhs) as against a post tax profit of Rs. 128.75 lakhs (pretax profit of Rs. 112.31 lakhs) during the previous financial year.

REVA PROTEINS LIMITED

At Reva Proteins Ltd., owing to restrictions in the quantum of discharge of treated effluent, there has been considerable under utilization of capacity. The common treated effluent discharge pipeline currently being set up by M/s. Narmada Cleantech Limited which was expected to be commissioned during mid 2015-16 has been delayed further. The commissioning and high pressure testing of the effluent pipeline got completed in January 2017 and the clearance of the consent to authorize and operate for Reva plant by the Gujarat State Pollution Control Board is in progress. Arising out of the above, the financial year 2016-17 witnessed a net loss of Rs. 779.04 lakhs and a cash loss of Rs. 521.69 lakhs as against a net loss of Rs. 941.17 lakhs and a cash loss of Rs. 684.59 lakhs during the previous financial year. The annual production during 2016-17 was 1909 MT of Ossein and 1095 MT of Limed Ossein as against 1554 MT of Ossein and 632 MT of Limed Ossein during the previous year. Taking into consideration the techno-commercial viability of the project once the pipeline is made available for Company's operations post the clearance by the Gujarat State Pollution Control Board expected by the end of Quarter 1 of 2017-18, your Company has

proactively undertaken a comprehensive scheme for revival of the subsidiary by way of capital investments and capital restricting / rescheduling of existing term loans.

It is expected that this subsidiary can achieve a turnaround in operations within a short time once the pipeline is made available for usage.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report.

The statement containing the salient features of the financial statement of both the subsidiaries under first proviso to sub-section (3) of section 129 of the Act in form AOC I is attached as Annexure II.

In accordance with fourth proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company containing therein its standalone and consolidated financial statements has been uploaded on the website of the Company, www.gelatin.in. Further as per the fourth proviso of the said section, the annual accounts of the subsidiary companies and the related detailed information have also been uploaded on the website of the Company, www.gelatin.in.

Annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be available for inspection by any shareholder at the Registered Office of the Company and subsidiary companies concerned. Hard copy of details of accounts of subsidiaries shall be furnished to any shareholder on demand. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its subsidiaries.

STATUTORY AUDITOR'S REPORT

Emphasis of Matter on the accounts of the Company referred to in the Auditor's Report is explained in detail in Note No. 2.11.2 of the Notes forming part of accounts for the year and hence no further comments are necessary.

SECRETARIAL AUDITORS' REPORT - EXPLANATION TO OBSERVATIONS OF AUDIT

As prescribed under Section 204(1) of the Act, the Company has received the Secretarial Audit Report. The observations made therein and the corresponding explanations are given below:

Sl No	Observation	Our explanation
1	As per Regulation 24 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the listed entity. On examination of the Board minutes of Nitta Gelatin India Limited : Minutes of Reva Proteins Ltd (subsidiary) has placed only at the 1st Board Meeting during the Financial Year i.e. on 06.05.2016 and Minutes of Bamni Proteins Limited (Subsidiary) has not placed before the Board Meetings of Nitta. Kindly adopt a system of placing the Board Minutes of subsidiaries in the Board Meeting of Nitta as per the mandate of Regulation 24 (3) of LODR.	We were regular in placing the minutes of Reva Proteins Ltd, till such time it was material subsidiary. There was irregularity thereafter. Hereafter, the minutes of the meetings of Subsidiary companies shall be placed before the Board meeting of the Holding company.
2	As per Standard 6.4 of the Secretarial Standard 1 (SS-1), meetings of Board of Directors, "Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting". The Board has approved a circular resolution for authorization to Directors for migrating to GST on 10.01.2017. On analysis of the minutes of next Board meeting held on 06-02-2017 it is observed that there is inadequate compliance of Standard 6.4 in as much as the text of the resolution has not been recorded in the minutes as envisaged by the Standards 6.4.	Noted. Henceforth the regulatory provision shall be conformed in entirety.
3.	The Company has paid additional fee of Rs.12000 to the Ministry with respect to modification of sanctioned credit facilities by SBI and HDFC bank. The cases with respect to delay in Charge filing with Bankers (i.e. SBI and HDFC) were found to be repetitive in nature when we compared the same with the last two financial years. This matter needs to be discussed with Bankers whenever new credit facilities sanctioned or existing credit facilities get renewed so that cases of such nature were not further get repeated.	This happens with respect to additional documentation in the context of creation of Collateral Security and also renewal of existing facilities. We shall discuss with Bankers and find ways to avoid the delay in filing.
4	As per the provisions of the Foreign Exchange Management Act, 1999, ECB Return (ECB-2) should be filed within seven working days from the end of each month. On analysis it is found that (i) ECB Return for the month of April, 2016 has been filed on 14th June, 2016 with a delay of 28 days, (ii) ECB Return for the month of May, 2016 has been filed on 14th June, 2016 with a delay of 4 days, (iii) ECB Return for the month of July, 2016 has been filed on 10th August, 2016 with a delay of 1 day, (iv) ECB Return for the month of October, 2016 has been filed on 22nd November, 2016 with a delay of 11 days and (v) ECB Return for the month of November 2016 has been filed on 15th December, 2016 with a delay of 5 days.	The Returns are physically filed with the Authorised Dealer well within the statutory prescription of seven days, while an endorsement is obtained subsequent thereto. We shall henceforth endeavor to obtain the endorsement in such a way that it is within the statutory time limit for filing the document.
5	The production of gelatin exceeds the limit as per FSSAI License for the last two years 2015-16 and 2016-17 and hence found to be repetitive in nature without amending the license accordingly for the enhancement of the permissible quantity of gelatin. This is evident as per examination of Annual Return in Form D1 filed under Regulation 2.1.13 of the FSSAI 2006, and the total gelatin production comes about 3824 MT and 4003 MT respectively which are in excess of the limit of 3650 MT per year. The Company is advised to increase the licensed limit accordingly.	The forthcoming renewal of the license shall take care of the requirement.

COLLABORATORS

The Collaborators of your Company continue to be the relentless source of support and guidance for the Company in each of its key initiatives. Their patronage in areas of financial support, product development, marketing, quality improvement and training of personnel has contributed significantly to the growth of the Company. NGI, Japan has not only subscribed to the Optionally Convertible Preference Shares for an amount of Rs. 1580 lakhs issued by the Company in full, but also provided term loan assistance to the Company at attractive rates of interest. NGI, Inc. Japan has provided guidance and considerable financial support for the scheme of revival of the subsidiary, Reva Proteins Ltd. Kerala State Industrial Development Corporation Ltd., the other promoter is also equally supportive to each and every development concerning your Company.

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

The information as required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure III**.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as **Annexure IV** to this report.

The Annual Report excluding the details of employees receiving remuneration in excess of the limits prescribed under section 197 of the Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the shareholders of the Company in terms of first proviso to Section 136(1) of the Act 2013. The annexure is available for inspection at the Registered Office of the Company during business hours and any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

INTERNAL CONTROL SYSTEM

ADEQUACY OF INTERNAL CONTROL SYSTEMS

The Company has in place well defined and

adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year. The internal control systems operate through well documented Standard Operating Procedures, policies and process guidelines. These are designed to ensure that transactions are conducted and authorized within defined authority limit commensurate with the level of responsibility for each functional area. The Company's accounting and reporting guidelines ensure that transactions are recorded and reported in conformity with the generally accepted accounting principles.

The Company has engaged a professional firm of Accountants with long years of experience to carry out the internal audit function. The Company has not placed any limitation on the scope and authority of the internal audit function. The internal audit function evaluates the efficacy and adequacy of internal control systems, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. To maintain its objectivity, effectiveness and independence, internal audit is being carried out on a quarterly basis and reports thereon, along with the remarks of the process owners on each of the observations of audit are placed before the Audit Committee of the Board. The Audit Committee reviews each of the internal audit reports as a separate item of agenda along with the internal / statutory auditors and the management representatives wherein the Committee gives their advice / suggestions on the audit points. Based on the report of the internal audit as well as the observations of the Audit Committee the process owners undertake requisite corrective action in their respective areas thereby further strengthening the control systems. Action Taken Reports are also reviewed by the Audit Committee for each actionable item. The minutes of the Audit Committee are reviewed by the Board of Directors.

INTERNAL CONTROLS OF FINANCIAL REPORTING

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design on operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

The Company has adopted accounting policies which are in line with the Accounting Standards and the Act. They are in accordance with the generally accepted accounting principles in India. Changes in policies, if required, are made in consultation with the auditors and are approved by the Audit Committee.

The Board is of the view that appropriate procedures and controls are operating effectively and monitoring procedures are in place.

RESPONSIBILITY STATEMENT OF DIRECTORS

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) that they had selected such accounting policies as mentioned in Note 1 of the notes to the Financial Statements 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 as at 31st March 2017 and of the profit of the Company for the year ended on that date;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that they had prepared the annual accounts on a going concern basis;
- e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on Related Party Transactions which is in line with the relevant provisions of the Companies Act and as well as SEBI (LODR) Regulations. The said policy as approved by the Board is available in the Company website www.gelatin.in. As per the said policy, prior omnibus approval of the Audit Committee is obtained on a quarterly basis for all the Related Party Transactions which are of a foreseen and repetitive nature. All Related Party Transactions actually taken place are subsequently reviewed by the Audit Committee on a quarterly basis in comparison with the conditions of omnibus approval and are recommended to the Board for approval. Additionally material Related Party Transactions foreseen in the year ahead, were got approved by the members also. Particulars of contracts of arrangements with Related Parties referred to in sub section 1 of Section 188 read with Rule 8(2) of the (Companies Accounts) Rules, 2014 are attached in Form No. AOC 2 as **Annexure V**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR) Regulations is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (LODR) Regulations. A separate section on corporate governance under the Regulation, along with a certificate from Practising Company Secretary confirming the compliance, is annexed and forms part of the Annual Report

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Accounting Standards 21, 27 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the SEBI (LODR) Regulations and form part of the Annual Report.

DIRECTORS

Mr. P.H Kurian IAS, who was a Director and Chairman of the Company with effect from 14.10.2013 ceased to hold office on 27.09.2016 consequent on the

Kerala State Industrial Development Corporation Limited (KSIDC) vide their letter dated 27.09.2016 nominating Mr. Paul Antony IAS, Additional Chief Secretary (Industries and Power), Govt. of Kerala as a Director of the Company.

Your Directors extend a warm welcome to Mr. Paul Antony as member of the Board. The Board also places on record the appreciation for the valuable guidance and support extended by Mr. P.H. Kurian IAS during his tenure as Director and Chairman.

Mr. Takeo Yamaki, Director(operations) resigned from the service of the company consequent on his being reverted to the service of NGL, Japan. He was replaced by Dr. Shinya Takahashi who was appointed as Director(Technical) at the Board meeting held on 09.05.2017. The terms and conditions of appointment, are to be confirmed at the forthcoming Annual General Meeting of the company. Similarly, Mr. Raymond Merz, Director, nominee of NGL, Japan was replaced and Mr. Koichi Ogata, President, NGL, Japan was appointed in casual vacancy at the Board meeting dated 09.05.2017. Mr. Hiroshi Nitta was appointed as Alternate Director to Mr. Koichi Ogata. The Board extended a warm welcome to the incoming directors.

KEY MANAGERIAL PERSONNEL

Rule 8(5)(iii) of Companies (Accounts) Rules, 2014 prescribes that Report of Directors should contain details of Directors and Key Managerial Personnel. Therefore, in addition to the details of Directors hereinabove given, it is brought to the notice of shareholders that Mr. P. Sahasranaman and Mr G. Rajeshkurup continue as Chief Financial Officer (CFO) and Company Secretary, respectively.

BOARD EVALUATION

As per Section 134(3)(P) of the Act, 2013 there has to be furnished to the shareholders as part of the Directors' Report, a statement indicating the manner in which formal annual evaluation was made by the Board of their performance. Similarly, the Independent Directors as part of their mandate under Schedule VI of the Act need to make an evaluation of performance of the constituents of the Board apart from their self evaluation.

The Board at their meeting dt. 06.02.2017 had occasion to deliberate on the Guidance Note on Board Evaluation, issued by Securities Exchange Board of India(SEBI) dated 05.01.2017 and approved a Questionnaire for evaluation that captures the salient points discussed in the said Note. The questionnaire for evaluation (both, self

and peer)are to be filled in, consolidated and discussed with the Chairman. The evaluation by the Independent Directors having been undertaken at their meeting dated 11.04.2017, the Board of Directors too undertook their evaluation and took into record that the Independent Directors have the requisite qualification, expertise and track record for performing their duties as envisaged under Law, and they add value in the decision making process of the Board.

MEETINGS

The Board of Directors met 4 (Four) times during the financial year 2016-17. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening time gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee has Mrs. Radha Unni as Chairperson, with Mr. A. K. Nair, Mr. K. L. Kumar and Dr. K. Cherian Varghese as members.

More details on the Committee are given in the Corporate Governance Report.

VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report genuine concerns, while providing for adequate safeguards against victimisation; providing direct access to chairperson of Audit Committee, the details regarding which have also been given in the Company's official website.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working and associating with the company, through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A four member Internal Complaints Committee (ICC) is constituted with three lady employees and one lady NGO member. ICC is responsible for redressal of complaints relating to sexual harassment, as envisaged under the provisions of Act and Rules. Hitherto no complaints were received by ICC.

PREVENTION OF INDISER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

STATUTORY AUDITORS

M/s Varma & Varma, Statutory Auditors completed their term of office within the meaning of Section 139 of the Companies Act, 2013 consequent whereof M/s. Walker Chandio & Co LLP was on recommendation by the Audit Committee at their meeting dated 06.02.2017, appointed as Statutory Auditors of the Company for a period of five years subject to yearly ratification, by the Board of Directors who held their meeting later during that day. This appointment which is confirmed by the Audit-firm as meeting all the qualifications and eligibility prescribed under the Companies Act 2013, applicable Rules and the provisions of SEBI (LODR) Regulations, has now to have the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Abhilash Nediyaalil Abraham. (CP No. 14524,

M No. 22601), Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure VI**.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 are annexed herewith as **Annexure VII**.

ACKNOWLEDGEMENT

Your Directors place on record its sincere appreciation for the support and assistance extended by the State Government and M/s. Kerala State Industrial Development Corporation Ltd. They also take this opportunity to extend their whole hearted gratitude to M/s. Nitta Gelatin Inc., Japan, for their timely and valuable guidance and inspiration. Your Board place on record its sincere appreciation for the significant contributions made by employees across the Company through their dedication and commitment. On this occasion, your Board thanks all the customers, suppliers, bankers and other associates for their unstinted co-operation. Your Directors are also thankful to the esteemed shareholders for their continued patronage and the confidence reposed on the Company and its management.

For and on behalf of the Board of Directors,

Kochi
09.05.2017

PAUL ANTONY IAS
CHAIRMAN
(DIN: 02239492)

ANNEXURE I**Annual Report on Corporate Social Responsibility****CSR Activities**

(CSR Policy approved by the Board of Directors on 13.11.2014)

In order to carry out the charitable activities in a structured manner and to streamline and provide more focus and direction to the activities undertaken by the Company through the agency of K T Chandy - Seiichi Nitta Foundation or such other agencies as may be decided.

The CSR activity to lay thrust to local areas around the divisions /corporate office of the Company for spending the amount earmarked.

To pursue these objectives the Company shall:

- 1) Ensure environmental sustainability, ecological balance, protection of flora and conservation of natural resources.
- 2) Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden, promoting health care, sanitation and making available safe drinking water.

- 3) Promote gender equality, empowering women and measures for reducing inequality faced by socially and economically backward group.

Web Link: www.gelatin.in

Composition of CSR committee

Name of the Member	Designation
Mr. K.L. Kumar	Chairman
Mr. A.K. Nair	Member
Dr. Shinya Takahashi	Member
Mr.Sajiv K. Menon	Member

1. Average net profit : Rs.9,71,60,177/-
2. Prescribed CSR Expenditure (Two percent of the amount as in item 1 above)
The Company is required to spend Rs. 19,43,202/-
3. Details of CSR spend for the financial year:
 - a) Total amount spent during the financial year Rs. 21,42,276/-
 - b) Amount spent in excess of the statutory minimum Rs. 1,99,074/-
 - c) Manner in which the amount was spent during the financial year 2016-17 is detailed below:

(Amount in Rupees)

Sl. No.	Projects / Activities	Sector	Locations	Amount outlay (Budget) project or programme wise	Amount spent on the programme	Cumulative expenditure upto reporting period	Amount spent : Direct or through implementing agency
1.	Contribution to oldage homes vayojana club /food for Asraya Members	Facilities for senior Citizens/	Koratty / Kakkannad	2,50,000	65,400	65,400	K. T. Chandy Seiichi Nitta Foundation/Direct
2.	Study materials	Children Education	Koratty / Kakkannad	1,75,000	2,70,500	2,70,500	K. T. Chandy Seiichi Nitta Foundation/Direct
3.	Noon Meal	Poverty /Mallnutrition alleviation	Koratty / Kakkannad	60,000	40,000	40,000	K. T. Chandy Seiichi Nitta Foundation/Direct
4.	Maintenance of Greenbelt/ supply of saplings	Environmental sustainability	Koratty / Kakkannad	75,000	1,10,380	1,10,380	K. T. Chandy Seiichi Nitta Foundation/Direct
5.	Medical Assistance / medical camp	Health care & sanitation	Koratty / Kakkannad		74,502	74,502	K. T. Chandy Seiichi Nitta Foundation/Direct
6.	Sports / events relating to festivities	Rural sports	Koratty / Kakkannad	70,000	86,254	86,254	K. T. Chandy Seiichi Nitta Foundation/Direct
7.	Self employment / SHG facilitation	Empowering women	Koratty / Kakkannad	3,10,000	90,042	90,042	K. T. Chandy Seiichi Nitta Foundation/Direct
8.	Water supply	Safe drinking water	Koratty / Kakkannad	10,03,000	9,39,560	9,39,560	K. T. Chandy Seiichi Nitta Foundation/Direct
9.	Project relating to public amenities	Rural development	Koratty / Kakkannad	-	4,65,638	4,65,638	K. T. Chandy Seiichi Nitta Foundation/Direct
			TOTAL	19,43,000	21,42,276	21,42,276	

RESPONSIBILITY STATEMENT OF CSR COMMITTEE

The CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

Place : Kochi	K. L. KUMAR CHAIRMAN	A. K. NAIR MEMBER	Dr. SHINYA TAKAHASHI MEMBER	SAJIV K. MENON MEMBER
Date : 09.05.2017	CSR COMMITTEE			

ANNEXURE - II

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

1	Sl. No.	1	2
2	Name of the subsidiary	BAMNI PROTEINS LIMITED	REVA PROTEINS LIMITED
3	The date since when subsidiary was aquired	18.12.1997	13.07.2009
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period same as Holding Company	
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A (Amount in Rupees)	
6	Share capital	4,25,00,000	31,36,05,200
7	Reserves & surplus	1,36,59,105	(15,27,35,085)
8	Total assets	7,43,40,394	55,51,92,931
9	Total Liabilities	7,43,40,394	55,51,92,931
10	Investments	-	41,40,000
11	Turnover	13,58,95,494	33,44,65,943
12	Profit before taxation	1,07,14,120	(7,79,04,134)
13	Provision for taxation	37,99,890	-
14	Profit after taxation	69,14,230	(7,79,04,134)
15	Proposed Dividend	NIL	NIL
16	Extent of shareholding (in percentage)	82.35	74.55

1. Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year.- NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There was no associate / joint venture for the Company during the reporting period.

1. Names of associates or joint ventures which are yet to commence operations: NIL

2. Names of associates or joint ventures which

have been liquidated or sold during the year: NIL

PAUL ANTONY IAS SAJIV K. MENON DR. M. BEENA IAS
CHAIRMAN MANAGING DIRECTOR DIRECTOR

RADHA UNNI RAYMOND MERZ K. L. KUMAR
DIRECTOR DIRECTOR DIRECTOR

DR. K. CHERIAN VARGHESE
DIRECTOR

P. SAHASRANAMAN G. RAJESH KURUP
CHIEF FINANCIAL OFFICER COMPANY SECRETARY

Place: Kochi
Date: 09.05.2017

ANNEXURE III

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

(A) CONSERVATION OF ENERGY

- During the year various energy conservation measures were initiated.
- Additional investments are being implemented for further optimization of expenditure on utilities.

a. Energy conservation activities carried out during the year:

Activities at Ossein Division

- Energy inefficient pumps were replaced.
- Variable Frequency Drive (VFD) installed in Ossein drying process
- Additional capacitors installed for improving power factor.
- Energy efficient motors / gear boxes installed to save on energy costs.
- 100 HP Root Blower replaced with lower HP Blower through decentralization process.
- LED lights were fixed in liming plant

Activities at Gelatin Division

- Optimised power consumption during the peak hours of the day.
- Optimised compressed air pressure setting to the plant.
- Conventional lamps were replaced by more efficient LED lamps in the plant.

- iv) Variable Frequency Drive (VFD) were installed to reduce power consumption.
- v) Power efficient Jet Aerators were introduced to improve the aeration efficiency.
- vi) Right sizing of pumps were made for optimizing power consumption for different applications.

Capital investments on energy conservation equipments

The Company has spent an amount of Rs. 54.23 lakhs as capital expenditure on energy saving equipments during the year.

Energy conservation activities proposed for 2017-18

- i) Replacement of halogen / fluorescent lamps with LED light
- ii) Installation of energy efficient pumps
- iii) Vacuum filter filtration system will be replaced with energy efficient volute system
- iv) Installation of intermediate controller for compressors.

(b) TECHNOLOGY ABSORPTION AND DEVELOPMENT

The technology for the manufacture of Ossein, Dicalcium Phosphate, Limed Ossein, Gelatin and Collagen Peptide transferred by the overseas collaborators has been fully absorbed and improved upon over the years. The Company is making continuous efforts for further improving technology to economise on consumption of utilities and improving product quality and productivity.

The Company continues to be under a Technical Assistance Agreement with the overseas collaborator, NGL, Japan whereby it can avail the services of trained experts in Nitta Group in any desired area of Gelatin / Peptide production and also any noteworthy developments in the area of any of the products at NGL, Japan or its associates shall be shared with the company.

The Company is investing substantially for environment improvement projects at all its production centres

RESEARCH & DEVELOPMENT

The Company has three exclusive Research & Development Centres attached to each of its major production centres. All these Centres are approved by the Department of Scientific and Industrial Research, Government of India and

they carry out development of new products besides improvement of existing products and production processes. R&D Division is playing a pivotal role not only in the case of new products already launched but also those on the anvil. In view of the criticality of Crushed Bone quality in the overall cost of production, R&D wing has been entrusted with the responsibility to develop ways and means to minimize the adverse effect of quality deterioration of crushed bone.

The Company is continuing R & D efforts for carving out novel techniques for separation of Chloride, development of alternate raw materials, reduction in process time etc.

Specific areas in which R&D is carried out are:-

- Development of production processes to meet specific customer requirements.
- Development of new products, especially line extension of existing products and new applications for the same.
- Evaluation and development of new sources for various raw materials.
- Development of new process techniques for cost optimization as well as fuel and energy conservation.
- Reduction in water consumption

R&D wing of the Company has a team of trained and dedicated personnel to further strengthen its activities

Expenditure on R&D

Particulars	Rs. in lakhs	
	Current year	Previous year
a. Capital - R&D Centre Ossein Dvn. & Gelatin Dvn	16.08	16.77
b. Capital - Bamni Dvn R&D Centre	-	330.92*
Bamini Dvn R&D Centre- Capital WIP	-	-
Total Capital expenditure	16.08	347.69
c. Recurring expenses - Ossein Division R&D Centre, Gelatin Division R&D Centre & Bamni Division	77.64	75.45
Percentage to turnover	0.28	1.18

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. in Lacs)

Particulars	Current year	Previous year
a. Earnings	16625.08	18027.83
b. Outgo	1413.73	749.43

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

Particulars	Current year 2016-17	Previous year 2015-16
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (KWH in lacs)	247.66	267.25
Total Amount (Rs. In lacs)	1434.50	1541.54
Rate/Unit (Rs.)	5.79	5.77
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH in lakhs)	0.91	0.97
Unit per litre of Diesel Oil	2.5	2.50
Cost / Unit (Rs.)	21.14	21.81
2. Furnace Oil		
Quantity (in KL)	795	749
Total Amount (Rs. in lakhs)	199.58	169.03
Average rate (Rs. per KL)	25109.27	22578.71
3. Firewood		
Quantity (in MT)	35879.75	39901.83
Total Amount (Rs. in lakhs)	892.68	1085.84
Average rate (Rs. per MT)	2487.99	2721.29
4. LNG		
Quantity (in MMBTU)	29899.22	38250
Total Amount (Rs. in lakhs)	185.69	271.38
Average rate (Rs. per MMBTU)	621.07	709.48
Product - Ossein		
1. Electricity (KWH) per MT	2137	2080
2. Firewood (MT) per MT	1.07	0.82
Product - Gelatin		
1. Electricity (KWH) per MT	3578	3508
2. Furnace Oil (KL) per MT	0.11	0.13
3. Firewood (MT) per MT	7.97	7.46
4. LNG (MMBTU) / MT	8.96	10.16
Product - Collagen Peptide		
1. Electricity (KWH) per MT	6532.37	5551.97
2. Firewood (MT) per MT	5.97	5.84

Kochi
09.05.2017

PAUL ANTONY, IAS
CHAIRMAN
(DIN:02239492)

Annexure IV**Particulars of Employees****PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****A. Requirements under Rule 5(1)**

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Sajiv K. Menon, Managing Director - 31.46 (31.64) Mr. T. Yamaki , Director (Operations) - 8.14 (6.85)
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Sajiv K. Menon, Managing Director - 12.91% (9.19 %) Mr. T. Yamaki, Director (Operations) -34.96% (3%) Key Managerial Persons : Mr. P. Sahasranaman, CFO - -4.83% (6.53%) Mr. G.Rajesh Kurup, CS - 27.37% (23.33%)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	13.52% (10.73%)
(iv)	The number of permanent employees on the rolls of the company;	426 permanent employees as on 31.03.2017
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of managerial personnel is 10.47% and that of non-managerial -16.73%.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid by the company during the financial year 2016-17 is as per the Remuneration policy of the Company.
	(*Not applicable since there was no position as Director (Operations) in the previous financial year)	

Kochi
09.05.2017

PAUL ANTONY IAS
CHAIRMAN
(DIN: 02239492)

ANNEXURE - V**Form 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
2. Details of material contracts or arrangement or transactions at arm's length basis
 - a) Name(s) of the related party and nature of relationship
 - i) Nitta Gelatin Inc. - Enterprise having substantial interest in the Company
 - ii) Nitta Gelatin NA Inc - Subsidiary of Nitta Gelatin Inc.
 - iii) Nitta Gelatin Canada Inc - Subsidiary of Nitta Gelatin Inc.
 - iv) Bamni Proteins Ltd. - Subsidiary Company
 - v) Reva Proteins Ltd - Subsidiary Company
 - b) Nature of contracts / arrangements / transactions
Sales / purchase of materials
Availing or rendering of services
 - c) Duration of contracts / arrangements / transactions : April 2016 to March 2017
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any.
Refer Note No. 2.26 on accounts
 - e) Date(s) of approval by the Board, if any: 06.05.2016, 03.08.2016, 05.11.2016 and 06.02.2017
 - f) Amount paid as advances, if any: NIL

Kochi
09.05.2017

PAUL ANTONY, IAS
CHAIRMAN
(DIN:02239492)

ANNEXURE VI
Secretarial Audit Report
FORM NO.MR-3

FOR THE FINANCIAL YEAR ENDED
 31ST MARCH,2017.

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

To

The Members,
 Nitta Gelatin India Limited
 CIN: L24299KL1975PLC002691
 50/1002, Panampilly Nagar,
 Ernakulam, Kochi-682 036.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nitta Gelatin India Limited(hereinafter called the Company), CIN : L24299KL1975PLC002691, 50/1002, Panampilly Nagar, Ernakulam, Kochi-682 036. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March,2017 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent ,in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March,2017 according to the provisions

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation)

Act,1956 (SCRA) and the Rules made thereunder;

- (iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations,2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; **(Not applicable to the Company during audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999. **Not applicable to the Company during audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008 **(Not applicable to the Company during audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations ,1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange board of India (Delisting of Equity shares) Regulations,2009 **(Not applicable to the Company during audit period);and**
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations ,1998 **(Not applicable to the Company during audit period);**
- (vi). The following other laws as may be applicable specifically to the Company;

- (a) The Food Safety Standard Act, 2006 and the Rules and Regulations issued thereunder.
- (b) The Petroleum Act, 1934 and Rules and Regulations issued thereunder.
- (c) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. As per Regulation 24 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the listed entity. On examination of the Board minutes of Nitta Gelatin India Limited :

Minutes of Reva Proteins Ltd (subsidiary) has placed only at the 1st Board Meeting during the Financial Year i.e. on 06.05.2016 and Minutes of Bamni Proteins Limited (Subsidiary) has not placed before the Board Meetings of Nitta.

Kindly adopt a system of placing the Board Minutes of subsidiaries in the Board Meeting of Nitta as per the mandate of Regulation 24 (3) of LODR.

2. As per Standard 6.4 of the Secretarial Standard 1 (SS-1), meetings of Board of Directors, "Resolutions passed by circulation shall be noted at the next Meeting of the Board and the text thereof with dissent or abstention, if

any, shall be recorded in the Minutes of such Meeting". The Board has approved a circular resolution for authorization to Directors for migrating to GST on 10.01.2017. On analysis of the minutes of next Board meeting held on 06-02-2017 it is observed that there is inadequate compliance of Standard 6.4 in as much as the text of the resolution has not been recorded in the minutes as envisaged by the Standards 6.4.

3. *The Company has paid additional fee of Rs.12000 to the Ministry with respect to modification of sanctioned credit facilities by SBI and HDFC bank. The cases with respect to delay in Charge filing with Bankers (i.e. SBI and HDFC) were found to be repetitive in nature when we compared the same with the last two financial years. This matter needs to be discussed with Bankers whenever new credit facilities sanctioned or existing credit facilities get renewed so that cases of such nature were not further get repeated.*
4. *As per the provisions of the Foreign Exchange Management Act, 1999, ECB Return (ECB-2) should be filed within seven working days from the end of each month. On analysis it is found that (i) ECB Return for the month of April, 2016 has been filed on 14th June, 2016 with a delay of 28 days, (ii) ECB Return for the month of May, 2016 has been filed on 14th June, 2016 with a delay of 4 days, (iii) ECB Return for the month of July, 2016 has been filed on 10th August, 2016 with a delay of 1 day, (iv) ECB Return for the month of October, 2016 has been filed on 22nd November, 2016 with a delay of 11 days and (v) ECB Return for the month of November 2016 has been filed on 15th December, 2016 with a delay of 5 days.*
5. *The production of gelatin exceeds the limit as per FSSAI License for the last two years 2015-16 and 2016-17 and hence found to be repetitive in nature without amending the license accordingly for the enhancement of the permissible*

quantity of gelatin . This is evident as per examination of Annual Return in Form D1 filed under Regulation 2.1.13 of the FSSA 2006 , and the total gelatin production comes about 3824 MT and 4003 MT respectively which are in excess of the limit of 3650 MT per year. The Company is advised to increase the licensed limit accordingly.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law, environmental laws and Rules, Regulations, and Guidelines.

I further report that during the financial year under report, the Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations ,guidelines, standards etc. referred to above

Place: Kochi
Date: 09.05.2017

Abhilash Nediyaalil Abraham
Practicing Company Secretary
M.No.22601;C.P No.14524

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

Annexure A

To

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
50/1002, Panampilly Nagar,
Ernakulam, Kochi-682 036

My report of even date is to be read along with this letter.

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

Place: Kochi
Date: 09.05.2017

Abhilash Nediyaalil Abraham
Practicing Company Secretary
M.No.22601;C.P No.14524

ANNEXURE VII

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017
[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	L24299KL1975PLC002691
(ii)	Registration Date	30.04.1975
(iii)	Name of the Company	Nitta Gelatin India Limited
(iv)	Category/Sub Category of the Company	Public Company Limited by shares
(v)	Address of the Registered office and contact details	Post Bag No.4262, 54/1446, Panampilly Nagar, Ernakulam,Kochi-682 036 0484 2317805,3099444
(vi)	Whether listed company Yes/No	Yes, BSE Limited
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Ltd, Subramanian Building, 1,Club House Road,Chennai-600002 Tamilnadu Tel:044-28460390,Fax: 044-28460129 E mail: cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SN	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1	Gelatin	20295	59.50
2	Dicalcium Phosphate	20295	15.86
3	Ossein/Ossein(Limed)	20119	15.38

*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 of Companies Act, 2013
1	Reva Proteins Limited	U24295KL2009PLC024529	Subsidiary	74.55	Section 2(87)
2	Bamni Proteins Limited	U24231KL1997PLC011971	Subsidiary	82.35	Section 2(87)

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 01-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoters									
(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)	2862220	Nil	2862220	31.53	2862220	Nil	2862220	31.53	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	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)	2862220	Nil	2862220	31.53	2862220	Nil	2862220	31.53	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	3900300	Nil	3900300	42.96	3900300	Nil	3900300	42.96	Nil
d) Banks/FI's	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)	3900300	Nil	3900300	42.96	3900300	Nil	3900300	42.96	Nil
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	6762520	Nil	6762520	74.49	6762520	Nil	6762520	74.49	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	691	3548	4239	0.05	691	3548	4239	0.05	Nil
b) Banks / FI	Nil	6332	6332	0.06	Nil	6332	6332	0.06	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):-	691	9880	10571	0.12	691	9880	10571	0.12	Nil
2. Non-Institutions									
a) Bodies Corp.	128876	9397	138273	1.52	271492	8897	280389	3.08	1.56
i) Indian	-	-	-	-	1-	-	-	-	-
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1495810	200370	1696180	18.68	1442072	194497	1636569	18.03	-0.65
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	351743	Nil	351743	3.87	269535	Nil	269535	2.97	-0.90

c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	24609	1864	26473	0.29	23024	1864	24888	0.27	-0.01
Hindu Undivided Families	85082	66	85148	0.94	88939	66	89005	0.98	0.04
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	8252	Nil	8252	0.09	5683	Nil	5683	0.06	-0.02
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	2094372	211697	2306069	25.39	2100745	205324	2306069	25.39	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2095063	221577	2316640	25.51	2101436	215204	2316640	25.51	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	8857583	221577	9079160	100.00	8863956	215204	9079160	100.00	0.00

ii) Shareholding of Promoters-

SI No	Shareholder's Name	Shareholding at the beginning of the year (As on 01-April-2016)			Share holding at the end of the year (As on 31-March-2017)			% 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 Inc.	3900300	42.96	Nil	3900300	42.96	Nil	Nil
2	Kerala State Industrial Development Corporation	2862220	31.53	Nil	2862220	31.53	Nil	Nil
	Total	6762520	74.49	Nil	6762520	74.49	Nil	Nil

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

SI No		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 Inc				
a)	At the beginning of the year	3900300	42.96	3900300	42.96
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			3900300	42.96
2.	Kerala State Industrial Development Corporation				
a)	At the beginning of the year	2862220	31.53	2862220	31.53
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			2862220	31.53

iv) Shareholding Pattern of top ten Shareholders:**(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
1.	Rajasthan Global Securities Private Limited				
	At the beginning of the year	0	0.0000		
	Changes during the year				
	Purchase 10-Feb-2017	23835	0.26	23835	0.26
	Purchase 17-Feb-2017	18496	0.20	42331	0.46
	Purchase 24-Feb-2017	2280	0.03	44611	0.49
	Purchase 03-Mar-2017	3409	0.04	48020	0.53
	Purchase 17-Mar-2017	13315	0.15	61335	0.68
	Purchase 24-Mar-2017	1083	0.01	62418	0.69
	Purchase 31-Mar-2017	7319	0.08	69737	0.77
	At the end of the year			69737	0.77
2.	Aparna Sarees Private Limited				
	At the beginning of the year	0	0.00%		
	Changes during the year				
	Purchase 16-Sep-2016	3577	0.04	3577	0.04
	Sale 23-Sep-2016	-1577	0.02	2000	0.02
	Purchase 07-Oct-2016	7000	0.08	9000	0.10
	Purchase 28-Oct-2016	7338	0.08	16338	0.18
	Sale 04-Nov-2016	-3719	0.04	12619	0.14
	Sale 11-Nov-2016	-4976	0.05	7643	0.09
	Purchase 18-Nov-2016	1437	0.02	9080	0.11
	Purchase 25-Nov-2016	1598	0.02	10678	0.13
	Purchase 09-Dec-2016	2163	0.02	12841	0.15
	Sale 16-Dec-2016	-635	0.01	12206	0.14
	Sale 06-Jan-2017	-5421	0.06	6785	0.08
	Sale 13-Jan-2017	-2678	0.03	4107	0.05
	Sale 27-Jan-2017	-1411	0.02	2696	0.03
	Purchase 03-Feb-2017	9984	0.11	12680	0.14
	Purchase 10-Feb-2017	10840	0.12	23520	0.26
	Purchase 17-Feb-2017	5692	0.06	29212	0.32
	Purchase 24-Feb-2017	3270	0.04	32482	0.36
	Purchase 03-Mar-2017	1149	0.01	33631	0.37
	At the end of the year			33631	0.37
3.	Japa Investment Advisor LLP	26268	0.29		
	Changes during the year				
	Sale 17-Feb-2017	1-268	0.00	26000	0.29
	At the end of the year			26000	0.29

4	Chanda Devi Ramgopal Ranga				
	At the beginning of the year	24038	0.26		
	Changes during the year Purchase 06-Jan-2017	750	0.01	24788	0.27
	At the end of the year			24788	0.27
5.	SaliniToppo				
	At the beginning of the year	23893	0.26	23893	0.26
	Changes during the year Sale 17-Feb-2017	-2930	0.00	23600	0.26
	At the end of the year			23600	0.26
6.	Anil Kumar Garg				
	At the beginning of the year	2100	0.23	21000	0.23
	Changes during the Year NIL				
	At the end of the year			21000	0.23
7	Kanak Garg				
	At the beginning of the year	21000	0.23	21000	0.23
	Changes during the Year NIL				
	At the end of the year			21000	0.23
8	Abbas Abdeali Merchant				
	At the beginning of the year	7208	0.08		
	Changes during the year				
	Purchase 13-May-2016	9458	0.10	16666	0.18
	Purchase 27-May-2016	200	0.00	16866	0.18
	Purchase 03-Jun-2016	257	0.00	17123	0.18
	Purchase 15-Jul-2016	1547	0.02	18670	0.20
	Sale 22-Jul-2016	-732	0.01	17938	0.19
	Purchase 05-Aug-2016	1000	0.01	18938	0.20
	Purchase 12-Aug-2016	471	0.01	19409	0.21
	Purchase 19-Aug-2016	180	0.00	19589	0.21
	Sale 02-Sep-2016	-400	0.00	19189	0.21
	Sale 23-Sep-2016	-1194	0.01	17995	0.20
	Sale 30-Sep-2016	-1160	0.01	16835	0.19
	Sale 07-Oct-2016	-785	0.01	16050	0.18
	Purchase 14-Oct-2016	8	0.00	16058	0.18
	Sale 11-Nov-2016	-200	0.00	15858	0.18
	Sale 18-Nov-2016	-350	0.00	15508	0.18
	Sale 06-Jan-2017	-100	0.00	15408	0.17
	Sale 20-Jan-2017	-165	0.00	15243	0.17
	Purchase 03-Feb-2017	999	0.01	16242	0.18
	Purchase 10-Feb-2017	1000	0.01	17242	0.19
	Purchase 10-Mar-2017	2617	0.03	19859	0.22
	Purchase 17-Mar-2017	895	0.01	20754	0.23
	At the end of the year			20754	0.23

9 (i)	Angel Broking Private Limited*				
	At the beginning of the year	1347	0.01		
	Changes during the year				
	Sale 15-Apr-2016	-75	0.00	1272	0.01
	Purchase 29-Apr-2016	20	0.00	1292	0.01
	Purchase 20-May-2016	7	0.00	1299	0.01
	Purchase 24-Jun-2016	144	0.00	1443	0.01
	Sale 08-Jul-2016	-144	0.00	1299	0.01
	Purchase 29-Jul-2016	100	0.00	1399	0.01
	Sale 05-Aug-2016	-100	0.00	1299	0.01
	Sale 26-Aug-2016	-75	0.00	1224	0.01
	Sale 30-Sep-2016	-20	0.00	1204	0.01
	Sale 14-Oct-2016	-589	0.01	615	0.00
	Sale 02-Dec-2016	-188	0.00	427	0.00
	Purchase 24-Feb-2017	12356	0.14	12783	0.14
	Purchase 03-Mar-2017	6111	0.07	18894	0.21
	At the end of the year			18894	0.21
(ii)	Angel Broking Private Limited*				
	At the beginning of the year	1572	0.01		
	Changes during the year				
	Purchase 08-Apr-2016	500	0.01	2072	0.02
	Purchase 15-Apr-2016	379	0.00	2451	0.02
	Purchase 22-Apr-2016	610	0.01	3061	0.03
	Purchase 29-Apr-2016	326	0.00	3387	0.03
	Purchase 06-May-2016	130	0.00	3517	0.03
	Purchase 13-May-2016	3126	0.03	6643	0.06
	Sale 20-May-2016	-2273	0.03	4370	0.03
	Purchase 27-May-2016	602	0.01	4972	0.04
	Purchase 03-Jun-2016	771	0.01	5743	0.05
	Sale 10-Jun-2016	-141	0.00	5602	0.05
	Sale 17-Jun-2016	-761	0.01	4841	0.04
	Sale 24-Jun-2016	-144	0.00	4697	0.04
	Sale 30-Jun-2016	-66	0.00	4631	0.04
	Sale 01-Jul-2016	-6	0.00	4625	0.04
	Sale 08-Jul-2016	-400	0.00	4225	0.04
	Sale 15-Jul-2016	-265	0.00	3960	0.04
	Purchase 22-Jul-2016	304	0.00	4264	0.04
	Purchase 27-Jul-2016	601	0.01	4865	0.05
	Purchase 29-Jul-2016	49	0.00	4914	0.05
	Sale 05-Aug-2016	-1368	0.02	3546	0.03
	Sale 12-Aug-2016	-697	0.01	2849	0.02
	Sale 19-Aug-2016	-200	0.00	2649	0.02
	Purchase 26-Aug-2016	100	0.00	2749	0.02
	Sale 02-Sep-2016	-20	0.00	2729	0.02
	Sale 09-Sep-2016	-45	0.00	2684	0.02
	Purchase 16-Sep-2016	50	0.00	2734	0.02
	Purchase 23-Sep-2016	1359	0.01	4093	0.03
	Sale 30-Sep-2016	-2423	0.03	1670	0.00
	Purchase 07-Oct-2016	4688	0.05	6358	0.05
	Sale 14-Oct-2016	-4085	0.04	2273	0.01
	Sale 21-Oct-2016	-820	0.01	1453	0.00
	Purchase 28-Oct-2016	350	0.00	1803	0.00
	Purchase 04-Nov-2016	17	0.00	1820	0.00
	Purchase 11-Nov-2016	620	0.01	2440	0.01
	Purchase 18-Nov-2016	613	0.01	3053	0.02
	Sale 25-Nov-2016	-208	0.00	2845	0.02
	Purchase 02-Dec-2016	65	0.00	2910	0.02

	Sale 09-Dec-2016	-121	0.00	2789	0.02
	Sale 16-Dec-2016	-600	0.00	2189	0.02
	Sale 23-Dec-2016	-700	0.00	1489	0.02
	Sale 30-Dec-2016	-200	0.00	1289	0.02
	Sale 06-Jan-2017	-417	0.00	872	0.02
	Purchase 13-Jan-2017	779	0.01	1651	0.03
	Purchase 20-Jan-2017	15	0.00	1666	0.03
	Purchase 27-Jan-2017	100	0.00	1766	0.03
	Purchase 03-Feb-2017	457	0.01	2223	0.04
	Purchase 10-Feb-2017	162	0.00	2385	0.04
	Purchase 17-Feb-2017	206	0.00	2591	0.04
	Sale 03-Mar-2017	-779	0.01	1812	0.03
	Sale 10-Mar-2017	-900	0.01	912	0.02
	Sale 17-Mar-2017	-50	0.00	862	0.02
	Sale 24-Mar-2017	-14	0.00	848	0.02
	Purchase 31-Mar-2017	141	0.00	989	0.02
	At the end of the year			989	0.02
(iii)	Angel Broking Private Limited*				
	At the beginning of the year	450	0.00	450	0.00
	Changes during the year				
	Sale 27-May-2016	-390	0.00	60	0.00
	Sale 12-Aug-2016	-2	0.00	58	0.00
	Sale 07-Oct-2016	-58	0.00	0	0.00
	At the end of the year			0	0.00
(iv)	Angel Broking Private Limited*				
	At the beginning of the year	201	0.00		
	Changes during the year				
	Sale 29-Apr-2016	-81	0.00	120	0.00
	Purchase 13-May-2016	5	0.00	125	0.00
	Purchase 20-May-2016	146	0.00	271	0.00
	Purchase 27-May-2016	84	0.00	355	0.00
	Sale 22-Jul-2016	-161	0.00	194	0.00
	Sale 19-Aug-2016	-194	0.00	0	0.00
	Purchase 10-Feb-2017	153	0.00	153	0.00
	Purchase 17-Feb-2017	100	0.00	253	0.00
	Purchase 10-Mar-2017	2	0.00	255	0.00
	At the end of the year			255	0.00
(v)	Angel Broking Private Limited*				
	At the beginning of the year	83	0.00		
	Changes during the year				
	Purchase 08-Apr-2016	20	0.00	103	0.00
	Sale 15-Apr-2016	-83	0.00	20	0.00
	Sale 29-Apr-2016	-20	0.00	0	0.00
	Purchase 27-May-2016	149	0.00	149	0.00
	Purchase 03-Jun-2016	10	0.00	159	0.00
	Sale 24-Jun-2016	-149	0.00	10	0.00
	Sale 27-Jul-2016	-10	0.00	0	0.00
	Purchase 30-Sep-2016	103	0.00	103	0.00
	Purchase 07-Oct-2016	78	0.00	181	0.00
	Purchase 14-Oct-2016	48	0.00	229	0.00
	Purchase 02-Dec-2016	37	0.00	266	0.00
	Purchase 06-Jan-2017	64	0.00	330	0.00
	At the end of the year			330	0.00

(vi)	Angel Broking Private Limited*				
	At the beginning of the year	0	0.00		
	Changes during the year				
	Purchase 08-Apr-2016	350	0.00	350	0.00
	Sale 15-Apr-2016	-129	0.00	221	0.00
	Sale 22-Apr-2016	-168	0.00	53	0.00
	Purchase 29-Apr-2016	74	0.00	127	0.00
	Purchase 06-May-2016	261	0.00	388	0.00
	Sale 13-May-2016	-188	0.00	200	0.00
	Sale 20-May-2016	-200	0.00	0	0.00
	Purchase 03-Jun-2016	1050	0.01	1050	0.01
	Sale 10-Jun-2016	-1050	0.01	0	0.00
	Purchase 17-Jun-2016	580	0.01	580	0.01
	Sale 24-Jun-2016	-580	0.01	0	0.00
	Purchase 30-Jun-2016	66	0.00	66	0.00
	Sale 01-Jul-2016	-60	0.00	6	0.00
	Sale 08-Jul-2016	-6	0.00	0	0.00
	Purchase 15-Jul-2016	200	0.00	200	0.00
	Sale 22-Jul-2016	-200	0.00	0	0.00
	Purchase 27-Jul-2016	150	0.00	150	0.00
	Sale 29-Jul-2016	-150	0.00	0	0.00
	Purchase 05-Aug-2016	1538	0.02	1538	0.02
	Sale 12-Aug-2016	-1538	0.02	0	0.00
	Purchase 19-Aug-2016	23	0.00	23	0.00
	Purchase 26-Aug-2016	76	0.00	99	0.00
	Sale 02-Sep-2016	-99	0.00	0	0.00
	Purchase 09-Sep-2016	50	0.00	50	0.00
	Purchase 16-Sep-2016	70	0.00	120	0.00
	Purchase 23-Sep-2016	128	0.00	248	0.00
	Purchase 30-Sep-2016	352	0.00	600	0.00
	Purchase 07-Oct-2016	200	0.00	800	0.00
	Purchase 14-Oct-2016	2811	0.03	3611	0.03
	Sale 21-Oct-2016	-3586	0.04	25	0.00
	Purchase 28-Oct-2016	475	0.01	500	0.01
	Purchase 04-Nov-2016	1610	0.02	2110	0.03
	Sale 11-Nov-2016	-2000	0.02	110	0.01
	Sale 18-Nov-2016	-110	0.00	0	0.01
	Purchase 25-Nov-2016	100	0.00	100	0.01
	Purchase 02-Dec-2016	33	0.00	133	0.01
	Sale 09-Dec-2016	-133	0.01	0	0.00
	Purchase 16-Dec-2016	820	0.00	820	0.00
	Sale 23-Dec-2016	-820	0.00	0	0.00
	Purchase 06-Jan-2017	59	0.00	59	0.00
	Purchase 13-Jan-2017	441	0.00	500	0.00
	Purchase 20-Jan-2017	731	0.01	1231	0.01
	Sale 27-Jan-2017	-1231	0.01	0	0.00
	Purchase 10-Feb-2017	10	0.00	10	0.00
	Purchase 17-Feb-2017	656	0.01	666	0.01
	Sale 24-Feb-2017	-666	0.01	0	0.00
	Purchase 31-Mar-2017	180	0.00	180	0.00
	At the end of the year			180	0.00
10	Santosh Haribhau Chaudhari				
	At the beginning of the year	19500	0.22		
	Changes during the year				
	Sale 06-May-2016	-250	0.00	19250	0.22
	Sale 30-Sep-2016	-500	0.01	18750	0.21
	Sale 27-Jan-2017	-500	0.01	18250	0.20
	At the end of the year			18250	0.20

* Having same PAN

v) Shareholding of Directors and Key Managerial Personnel:

Sl No	For each of the Directors and KMP	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	Pullukottayil Habel Kurian*				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
2	Paul Antony**				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
3	Karunakaran Nair Appukuttan				
a)	At the beginning of the year	66	Nil	66	Nil
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			66	Nil
4	Kumarapanicker Lalitha Kumar				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
5	Radha Unni				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
6	Takeo Yamaki				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
7	Sajiv Menon				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
8	Dr Beena Mahadevan				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil

9	Norimichi Soga #				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
10	Raymond Merz ##				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
11	Dr K Cherian Varghese				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
12	Dr.Naotoshi Umeno				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
13	Seichi Nishikawa				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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	Nil	Nil	Nil	Nil
14	Gopalakrishnan Rajesh Kurup				
a)	At the beginning of the year	Nil	Nil	Nil	Nil
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			Nil	Nil
15	Parameshwaran Sahasranaman				
a)	At the beginning of the year	2424	0.03%	2424	0.03%
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			2424	0.03%

*ceased.w.e.f 27.09.2016

**appointed w.e.f 27.09.2016

ceased w.e.f 06.05.2016

##appointed w.e.f 06.05.2016

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	47,85,69,927	6,50,00,000	-	54,35,69,927
ii) Interest due but not paid	7,12,496	-	-	7,12,496
iii) Interest accrued but not due	-	75,413	-	75,413
Total (i+ii+iii)	47,92,82,423	6,50,75,413	-	54,43,57,836
Change in Indebtedness during the financial year				
* Addition	-	2,76,516	-	2,76,516
* Reduction	(5,14,51,039)	-	-	(5,14,51,039)
Net Change	(5,14,51,039)	2,76,516	-	(5,11,74,523)
Indebtedness at the end of the financial year				
i) Principal Amount	42,76,69,113	6,50,00,000	-	49,26,69,113
ii) Interest due but not paid	1,62,271	-	-	1,62,271
iii) Interest accrued but not due	-	3,51,929	-	3,51,929
Total (i+ii+iii)	42,78,31,384	6,53,51,929	-	49,31,83,313

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Director

(In Rs)

SN	Particulars of Remuneration	Name of MD- Shri Sajiv K. Menon	Name of WTD- Shri Takeo Yamaki	Total Amount
	Gross salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,27,23,838	34,04,655	1,65,64,093
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others: Contribution to Provident Fund	435600	Nil	435600
	Total (A)	1,31,59,438	34,04,655	1,65,64,093
	Ceiling as per the Act	1,38,75,944	1,38,75,944	2,77,51,888

B. Remuneration to other directors

(In Rs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Kumarapanicker Lalitha Kumar	Karunakaran Nair Appukuttan	Radha Unni	Naotoshi Umeno	Dr K Cherian Varghese	
	Fee for attending board committee meetings	1,98,000	1,98,000	1,20,000	30,000	1,50,000	6,96,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	1,98,000	1,98,000	1,20,000	30,000	1,50,000	6,96,000
2	Other Non-Executive Directors	Pullukottayil Habel Kurian	Beena Mahadevan	Raymond Merz	Norimichi Soga	Seiichi Nishikawa	Total Amount
	Fee for attending board committee meetings	24,000	12,000	0	0	0	36,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	24,000	12,000	0	0	0	36,000
Total (B)=(1+2)							7,32,000
Total Managerial Remuneration(A+B)							1,72,96,093*
Overall ceilings as per the Act							2,77,51,888

*includes sitting fee

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

(In Rs)

SI No	Particulars of Remuneration	Key Managerial Personnel other than MD/Manager/WTD		
		Company Secretary (Rajesh Gopalakrishnan Kurup)	CFO (Parameswaran Sahasranaman)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,40,153	14,97,258	31,37,411
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
5	Others: Retirement benefits and food coupon	1,88,770	1,63,847	3,52,617
	Total	18,28,923	16,61,105	34,90,028

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
09.05.2017

PAUL ANTONY IAS
CHAIRMAN
(DIN:02239492)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The global gelatin market is currently being driven by an increasing demand for functional and convenience foods, growth in end-user industries, rising health awareness and growth in emerging markets. Owing to these factors, this market has grown at a CAGR of around 3% during 2009 – 2016. Capsules continue to be the favored drug delivery vehicle for solid oral dosage forms (Source: Tablets and Capsules magazine). In 2014, 10-15% of FDA approved drug products were in capsule formulations. The position of Gelatin as a raw material for capsule manufacturing continues to be predominant as compared to other alternatives. Gelatin capsule industry consumes roughly 90-95% of all bovine bone gelatin production in India and in 2015 about 628 billion gelatin capsules, both soft and hard, were produced. The Global Softgel Capsules Market is poised to grow at a CAGR of around 5.4% over the next decade.

Some of the prominent trends that the market is witnessing include rising supplements intake, increasing healthcare awareness, rising intake of pharmaceutical drugs, recent technological advancements in softgel capsules, and growth / investment opportunities. Increasing health care spending together with growing demand from various end use applications is expected to drive the Gelatin and Collagen Peptide market growth. Growing disposable income among the urban as well as rural population of emerging economies such as China, India, Brazil and South Africa have also lead to the rise in demand for Gelatin and its derivatives. Being a natural and safe product, Gelatin is now widely researched in various medical applications like woundcare products and tissue engineering.

SEGMENT-WISE PERFORMANCE

The global competitiveness of Indian gelatin had been severely dented in the past few years due to falling prices of hides, used as the raw material by many gelatin manufacturers abroad, even as raw material prices in India surged and reached unsustainable levels.

Crushed bone is the major raw material for ossein and gelatin production in India, and the industry consumes around 18,000 tonnes of this raw material every month. The recent drop in price of raw material and cost optimization initiatives supported the business although globally the

Gelatin industry witnessed a significant drop in price. The global demand for Gelatin is stable and US market still a premium market due to wide use of Gelatin for making nutritional supplements in soft capsule form. However in other markets, NGIL has witnessed tough competition in terms of price. The consistent quality, regulatory compliances and long term relationship with customers helped NGIL to compete effectively despite the price war. Increase in export volume and higher forex rate helped to maintain better realization.

Exports

NGIL maintained its prominence in the niche overseas markets during the FY 2016-17 for Gelatin. Export of Ossein during the year 16-17 was 2722 MT as against 3508 MT during the previous year. Export of Limered Ossein was 144 MT against 504 MT during the previous fiscal. DCP export during the year was 258 MT as against 301 MT during the previous year. In the case of Gelatin, exports for the year stood at 1871 MT against 1700 MT during the previous fiscal. The omega 3 (Fish oil) supplement demand witnessed some set back in US during 2014-16 which affected the Gelatin soft capsule business. However during 2016-17, the demand recovered which helped NGIL to achieve an increase in export volume and fetch better realization. Export of Collagen Peptide during the year was 100 MT against 89.4 MT during 2015-16. Collagen Peptide export faced a challenge in raw material procurement due to lengthy import control procedures and our processes are being streamlined to realign with the same. The major markets are US and Korea. The average USD/INR exchange rate for the year 2016-17 was 66.17 as against 65.15 for the previous financial year.

Domestic

The domestic demand for Gelatin is showing steady growth trend as India is strengthening its identity as a pharma manufacturing hub. However, due to capacity constraints, the domestic sales volume of Gelatin was limited to focus more on export. Domestic sale of Gelatin was 2027 during the period as against 2121MT in the previous period. Domestic sale of Collagen Peptide was 99.4MT against 145.5 MT during the previous financial year. The volume drop is mainly due to raw material availability issues. Di calcium Phosphate sales was 14848MT as against 16781 MT during the previous financial year.

Opportunities and threats

The global market for Gelatin is projected to exceed 480,000 metric tons by 2022, driven by widening applications in food, pharma and nutritional products. Gelatin's excellent properties and functionalities makes it a suitable excipient for such applications. This apart, the demand for Gelatin is projected to increase particularly in the Asian markets such as China and India, driven by population growth and economic development. NGIL is striving towards enhancing its competitiveness on a global level besides its supply capabilities. The projected two digit growth in Nutritional and Pharma Market presents an opportunity for the growth of Gelatin and Collagen Peptide globally.

Import of bovine bone to India from negligible risk countries had been permitted against sanitary import permit years back. But the special condition that the bones intended to export from negligible risk countries have to be subjected to a process which include sterilization of bone at 138°C for about 3 hrs. was not amenable to protection of entire protein from bone which made import proposition unviable for any Indian Gelatin manufacturer. A series of technical discussions and continuous interaction of the trade body OGMA with Ministry of Agriculture and Animal Husbandry Department for the last 4 years have led to the relaxation of processing condition of the bones mentioned in the veterinary certificate to be issued by the exporting countries. This has paved the way for import of bones into India and is expected to ensure price parity on the basis of international market prices for bones.

The animal origin of gelatin, price fluctuations, and technical limitations have hampered growth in the gelatin capsule market in India. During 2012-14 overall prices of pharmaceutical grade gelatin increased 10-15% due to raw material cost escalation arising out of increased demand for raw bones from the competing Meat & Bone meal industry. HPMC capsules, though still insignificant in terms of market share, are witnessing accelerated growth due to acceptance in the nutraceutical industry and popularization of vegetarianism in this segment. However technical superiority, safety and cost effectiveness make Gelatin still the preferred choice as excipient.

Outlook

Economic activity is projected to pick up pace in 2017 and 2018, especially in emerging markets and developing economies. However, there is a

wide dispersion of possible outcomes around the projections, given the uncertainty surrounding the policy stance of the U.S. administration and its global ramifications. India has taken the baton of the fastest growing economy and even surpassed China. The demand for Gelatin, Collagen Peptide and DCP is likely to grow due to favorable market conditions. However price competition will be a major challenge which needs to be addressed with cost optimization and operational excellence. NGIL is striving towards realizing its vision of emerging as the world's best gelatin manufacturing company through a systematic operational excellence initiative. The recent restrictions on cow slaughter and related political noises may affect the raw material availability in the short run but it is expected that control on illegal slaughter houses can help consolidate the supply chain through more organized operations in the long run.

FINANCIAL PERFORMANCE

The financial results of operations of your Company for the year under review are detailed under the caption performance forming part of the Directors' Report. As per the same, the Company's operations have resulted in a pre-tax profit of Rs. 27.75 crores for the current year as against Rs. 26.43 crores for the previous financial year. The post-tax profit for the current year is Rs. 17.51 crores whereas it stood at Rs. 16.69 crores for 2015-16.

During the year, the Company has continued its efforts to optimize financial costs through availing loans in foreign currency thereby resulting in substantial reduction of financial costs.

The demonetization of Rs. 500 and Rs. 1000 notes by the Govt. has not impacted the operations of the Company as most of the transactions of the Company were settled by way of e-payments / cheques.

The basic and diluted earnings per share during the year was Rs. 19.28 as against Rs. 17.33 and 16.79 respectively during the previous fiscal.

HUMAN RESOURCES DEVELOPMENT

To retain a sustainable competitive advantage in the new knowledge economy, learning is a key catalyst for an organisation's survival and success. The Company provides tremendous learning and development opportunities to its employees starting from induction and orientation programme for all the new joiners to regular

training programme to develop and enhance the skill levels, both functional and behavioral, for all the employees. The training programmes are tailored according to the business requirements and employee needs at various levels and designed with the help of a well structured process of need identification connected to the business demands.

Functional and technical training form an important part of the Company's annual training calendar as they are directly linked with the employees' role and on the job performance. The Company also continues with the following initiatives targeted towards human resources development:-

- i) Exclusive in-house training department for assessing and imparting the training needs.
- ii) Apart from in-house training facilities, employees are imparted extensive on the job training at our collaborator's factory in Japan and in other reputed institutions.

As a part of bringing in better operational synergy and speed of response to challenging situations, some of the staff handling various Administrative, Marketing, Commercial and Finance functions were transferred from the Corporate Office to the factories last year. It is proposed to rent out the vacant space created as a result of such transfers to augment the Company's revenue streams in the coming fiscal.

During the financial year 5S activities were launched in Ossein Division and Gelatin Division which is expected to bring in orderliness, cleanliness and improve productivity of the employees.

As on 31st March, 2017 the total permanent employee strength of the company was 426.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of the applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statements. Your Company's operations may inter-alia be affected by the supply and demand situation, input price and availability, changes in Government Regulations, Tax Laws, foreign exchange rate fluctuations and other factors. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company for the future.

The Management believes that the strategic direction of your Company is sound and will fulfill the shareholder's expectations, both short term and long term.

For and on behalf of the Board of Directors,

Kochi
09.05.2017

PAUL ANTONY IAS
CHAIRMAN
(DIN:02239492)

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices and professional management thereby enhancing shareholder's value and protecting the interest of the stakeholders such as shareholders, suppliers, customers and employees. The company is committed to attain high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations.

2. BOARD OF DIRECTORS

Composition

The present strength of the Board is ten. The Board has a combination of Executive and Non-

Executive Directors who are eminent professionals in their respective fields with wide range of skills and experience. They are drawn from amongst persons with proven track record in business/finance/public enterprises.

Number of Board Meetings held during the year along with the dates of the meetings.

Four (4) Board meetings were held during the financial year 2016-17 on 06.05.2016, 03.08.2016, 05.11.2016 and 06.02.2017.

The composition and attendance at the Board Meetings and Annual General Meeting (AGM) during the financial year and the other Directorships/Committee Memberships in other Indian Companies as on 31.03.2017 were as follows:

Sl. No.	Name of the Director	Category	Shareholding in the Company	Board Meetings Attended/ Held	Attendance in last AGM, Yes or No	Business relationship with NGIL (Nitta Gelatin India Limited)	Other Directorships (See Note 2.01)	Committee Membership ** (See Note 2.02)	
								Member	Chairman
1.	Mr. P. H Kurian, IAS, Nominee of KSIDC and Principal Secretary (Industries & IT), Govt of Kerala (Nominated as Chairman w.e.f 04.10.2013 and ceased to be the Chairman w.e.f 27.09.2016)	Nominee Director representing KSIDC, TVM*	Nil	2/2	Yes	-	19	-	-
2.	Mr. Paul Antony IAS, Nominee of KSIDC and Additional Chief Secretary (Industries and Power), Govt. of Kerala (Nominated as CHAIRMAN w.e.f 27.09.2016)	Nominee Director representing KSIDC TVM*	Nil	2/2	No	-	8	-	-
3.	Dr. M. Beena IAS, Nominee and Director of KSIDC.	Nominee Director representing KSIDC TVM*	Nil	1/4	Yes	-	10	-	-
4.	Mr. Takeo Yamaki.	Executive Director. Operations	Nil	4/4	Yes	Nominee of Nitta Gelatin Inc. Japan	-	-	-
5.	Mr N. Soga, Nominee of Nitta Gelatin Inc. (ceased to be the Director w.e.f 06.05.2016)	Promoter Director (Non-Executive)	Nil	0/1	No	Director & Chairman Nitta Gelatin Inc., Japan Director Nitta Gelatin NA., USA	-	-	-

6.	Mr. A. K. Nair (See Note 2.05)	Non Executive Independent Director	66 Nos Equity Shares	4/4	Yes	Director, Strides Acrolab Ltd, Bangalore	9	4	3
7.	Mr. K L Kumar (See Note 2.05)	Non Executive Independent Director	Nil	4/4	Yes	Director - Reva Proteins Ltd	1	-	-
8	Mrs. Radha Unni (See Note 2.05)	Non Executive Independent Director	Nil	4/4	Yes	-	4	3	-
9	Dr. Naotoshi Umeno (See Note 2.05)	Non Executive Independent Director	Nil	1/4	Yes	-	-	-	-
10.	Dr. K. Cherian Varghese (See Note 2.05)	Non Executive independent Director	Nil	4/4	Yes	-	1	-	-
11	Mr. Sajiv K Menon (Re appointed as Managing Director w.e.f 01.04.17)	Executive Managing Director	Nil	4/4	Yes	Chairman, Bamni Proteins Ltd, Chairman Reva Proteins Ltd	-	-	-
12	Mr. Reymond Merz (Appointed as Casual Vacancy Director w.e.f 06/05/2016)	Non Executive Director	Nil	1/4	Yes	-	-	-	-
13	Mr. Seiichi Nishikawa (Appointed as Alternate Director w.e.f 06/05/2016)	Alternate Director	Nil	0/4	No	-	-	-	-

* The Nominee Directors representing KSIDC are in the capacity of equity investor

- 2.01 The number of Directorships shown includes Directorships in Private companies also. As such it is within the limit prescribed under Section 165 of the Companies Act, 2013.
- 2.02 The number of Board committees in which the director is a member or chairperson includes only Audit Committee and Stakeholders Relationship Committee.
- 2.03 The Directors have no inter-se relationship, whatsoever.
- 2.04 The Board of Directors has an optimum combination of executive and non-executive directors with more than 50% of the Directors being non-executive Directors and two women Directors in conformity with Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are disqualified under Section 164 of the Companies Act, 2013. Necessary declarations have been made by the Directors under Regulation 26(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they do not hold any membership in more than 10 committees or chairperson of more than 5 committees across all listed entities in which he/she is a Director.

- 2.05 As per proviso to Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the company has a regular Non-Executive Chairman who is a nominee of a promoter, at least one half of the Board of

Directors of the company shall consist of Independent Directors. Accordingly, the requisite number of Independent Directors at any point of time during the year was five and these directors are Dr. K Cherian Varghese, Mr. A. K. Nair, Mr. K. L. Kumar, Mrs. Radha Unni and Mr. Natoshi Umeno, who meets the prescribed criteria of Independence during the financial year.

At the above position, the company had the requisite number of Independent directors as per Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the Board for the financial year 2016-17.

Mr. Paul Antony, IAS was formally appointed as Nominee director representing KSIDC replacing Mr. P.H Kurian, IAS with effect from 27.09.2016.

Mr N.Soga, Nominee of Nitta Gelatin Inc. is ceased to be a director w.e.f 06.05.2016.

Familiarisation programme

The Company has fully recognized the need of keeping the Directors especially the Independent Directors abreast of the changes in the corporate sector, be it any new trends and mandates in Corporate Governance practices, or the governing legal provisions in the corporate law. In that direction, the company has, at the time of appointment of Independent Directors at the Extraordinary General Meeting issued them formal letters of appointment which explains the role, function, duties and responsibilities expected of them as Director of the Company. It is also explained in detail to the Director, the compliances required from him under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and his affirmation taken in respect of the same. The Company wishes to follow this up with required training for the Directors in relevant disciplines. The web link where details of Familiarization Programme imparted to Independent Director disclosed is: http://gelatin.in/uploads/homecontent/FAMILIARIZATION%20PROGRAMMES_20160722105811.pdf.

Separate Meeting of the Independent directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had held one meeting

in the year on 11.04.2017 without the attendance of Non-Independent directors and members of the management. The meeting reviewed the performance of the non-independent directors and the Board as a whole, including the chairman of the Board in the light of the Guidance Note on Board Evaluation issued by SEBI, dated 05.01.2017, evolving a questionnaire for self and peer evaluation by Directors, capturing the salient points covered in the Guidance Note and found them to be satisfactory.

Code of Conduct

The Board approved the Code of Conduct applicable to the Board Members and the senior management personnel of the Company at its meeting held on 30.01.2006, which was suitably modified at the meeting on 03.02.2015, for including the duties of Independent Directors. The updated Code has been posted on the website of the Company www.gelatin.in. All Board members and senior management personnel have affirmed compliance with the code and a declaration to this effect is annexed to this report.

Board Profile as on 31.03.2017

a. Mr. Paul Antony, IAS

A senior officer of Indian Administrative Service, Mr. Paul Antony has held various higher offices in Government. He is presently Additional Chief Secretary, Industries and Power under Govt. of Kerala.

b. Mr. Sajiv K. Menon, Managing Director

A B.Tech in Chemical Engineering, PGDM (Fin.& Mktg), from IIM, Bangalore, and a Fulbright Scholar at Carnegie Mellon University, USA, Mr. Sajiv K. Menon had a long tenure of more than 33 years' experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of NGIL.

c. Mr. Takeo Yamaki, Director (Operations)

An engineer by profession, Mr. Takeo Yamaki had a long stint with Nitta Gelatin, INC, Japan, where he worked as General Manager (Gelatin), before he joined NGIL as Whole Time Director.

d. Dr. M. Beena IAS

Dr. Beena has had varied experience working at the helm of various Govt. Departments and Agencies.

She is presently the Managing Director of Kerala State Industrial Development Corporation Limited (KSIDC) and Kerala Industrial Infrastructure Development Corporation.

e. Mr. Raymond Merz

Mr. Raymond Merz is the Director and Executive Officer of the International Division. Mr. Seiichi Nishikawa, General Manager, Gelatin Division, Nitta Gelatin Inc., Japan acts as an Alternate Director to Mr. Raymond Merz.

f. Mr. A. K. Nair

A B.E and MBA, Mr. A.K. Nair has more than 46 years' experience in senior managerial positions in various industries, including Managing Director of Kerala State Industrial Development Corporation Limited following which he was also the Managing Director of NGIL (erstwhile KCPL) for two terms of 5 years each. He is now an Independent Director of the Company after his statutory cooling period during which he continued as a non-Executive Director of the Company.

g. Mr. K. L. Kumar

A Mechanical Engineer, Mr. K L Kumar had a long stint in corporate sector comprising 15 years in engineering consultancy services besides 22 years' service with Kochi Refineries Limited (KRL), of which 12 years was as its Chairman and MD. He is now an Independent Director of the Company.

h. Mrs. Radha Unni

Mrs. Radha Unni, M.A, B.Ed, CAIIB, is a Banker by profession, with 36 years' experience in State Bank of India, where she retired as Chief General Manager in charge of Kerala Circle. She is an Independent Director of the Company, also acting as Chairperson of the Audit Committee.

i. Dr. Naotoshi Umeno

A Japanese national, and an MBA from Kobe University, Japan, holding a Phd. in business management, Dr. Naotoshi Umeno has a career spanning 28 years as an academician in business studies as Professor at Hyogo University of Commerce. He has moved to Osaka University of Commerce as a Professor, with effect from 1st April 2017.

j. Mr. Seiichi Nishikawa

General Manager, Gelatin Division, Nitta Gelatin Inc., Japan acts as an Alternate Director to Mr. Raymond Merz.

k. Dr. K Cherian Varghese

Dr. K Cherian Varghese a senior Banker, was General Manager in Indian Bank and served as Chairman and CEO of South Indian Bank Ltd during the period 1991-1996. He was Executive Director of Central Bank of India, before holding the post as CMD of two leading Public Sector Banks namely Corporation Bank and Union Bank of India. He also served as a member and chairman of the Board for Industrial and Financial Reconstruction, Govt. of India. He holds a Ph.D in Commerce-Business Policy and Administration and is an Associate of the Chartered Institute of Bankers, London.

3. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee of the Board conforming to the requirements as prescribed by the Securities and Exchange Board of India (SEBI) on Corporate Governance, Listing Regulations outlined in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee consists of four (4) non-executive directors. The Committee, consisted of Dr. K Cherian Varghese, Mr. A.K. Nair, Mr. K.L. Kumar and Mrs. Radha Unni as members. Mrs. Radha Unni continues as the Chairperson of the Committee since 20th March, 2015. The terms of reference of the Audit Committee sufficiently covers the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and include overseeing of financial reporting process and development of financial information, ensuring the correctness of financial statements, reviewing with management, internal and external Auditors the adequacy of internal control system, reviewing the Company's financial and risk management policies and reviewing the related party transaction besides Internal Financial Controls and risk management systems. Mr. G. Rajesh Kurup, Company Secretary, acts as the Secretary of the Committee, as envisaged under law.

Five Audit Committee Meetings were held during the financial year 2016-17, the dates of which are 08.04.2016, 06.05.2016, 03.08.2016, 05.11.2016 and 06.02.2017.

The attendance of members is as follows:

Name of Directors	Category	No. of meetings attended/Held
Mrs. Radha Unni	Chairperson	5/5
Mr. A.K.Nair	Member	5/5
Mr. K.L.Kumar	Member	5/5
Dr. K.Churian Varghese	Member	5/5

Mrs. Radha Unni, as Chairperson of the Audit Committee, was present at the Annual General Meeting of the Company, held on 3rd August, 2016 to answer shareholder queries.

4. NOMINATION AND REMUNERATION COMMITTEE

As per Regulation 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration committee shall comprise of atleast three directors, all of them shall be non executive directors and at least 50% of the directors shall be independent directors. The Committee consisted of Mr. A.K. Nair as chairman and Mr. K.L. Kumar and Dr. K. Churian Varghese as members.

As per the above position, the company had the requisite number of members on the Committee for the period from 1st April, 2016 till 31st March, 2017.

The terms of reference of the Committee include remuneration and terms and conditions of appointment of Executive Directors and Senior Management personnel. The roles of the committee shall include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and criteria for evaluation of performance of independent directors and the board of directors. During the financial year 2016-17, the Nomination and Remuneration Committee held two meetings on 06.05.2016 and 06.02.2017.

The attendance of members is as follows:

Name of Directors	No. of meetings attended/held
Mr. A.K.Nair	2/2
Mr. K.L.Kumar	2/2
Dr. K.Churian Varghese	2/2

Performance Evaluation Criteria for Independent Directors

Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The criteria for evaluation of performance of Independent Directors are as follows:

- * Highest Personal and Professional ethics, integrity and values.
- * Inquisitive and objective perspective, practical wisdom and mature judgment.
- * Demonstrated intelligence, maturity, wisdom and independent judgment.
- * Self-confidence to contribute to Board deliberations, and stature such that other board members will respect his or her view.
- * The willingness and commitment to devote the extensive time necessary to fulfill his/her duties.
- * The ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others.
- * The skills, Knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.
- * Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings.
- * Effective deployment of knowledge and expertise.
- * Effective management of relationship with various stakeholders.
- * Independence of behaviour and judgement.
- * Maintenance of confidentiality of critical issues.

5. Remuneration of Directors.

The Remuneration Policy is directed towards rewarding performance based on review of achievements, which is in consonance with the existing industry practices.

(a) There is no pecuniary relationship of the Non-Executive director vis-à-vis the company, whatsoever. The Non-Executive directors receive no remuneration other than sitting fees for attending the Board and Committee meetings as follows:

Name	Sitting fees (Rs)
Mr. P H Kurian IAS	24,000.00
Mr. Paul Antony IAS	30,000.00
Dr. M Beena IAS	12,000.00
Dr. K Cherian Varghese	1,50,000.00
Mr. A K Nair	1,98,000.00
Mr. K L Kumar	1,98,000.00
Mrs. Radha Unni	1,20,000.00
Mr. Naotoshi Umeno	30,000.00

(b) Since Non-Executive Directors are not eligible for any remuneration other than sitting fee for attending meetings, there is no criteria determined for their remuneration.

(c) Details of Remuneration for the Financial Year 2016-17

Name	Salary Rs.	PF Rs.	Incentive Rs.	Other Benefits Rs.	Total Rs.
Executive Directors:					
(a) Managing Director					
Mr. Sajiv K. Menon	70,13,772	4,35,600	25,50,000	31,60,066	13159438
(b) Whole Time Director:					
Mr. Takeo Yamaki	25,34,065	27,600	-	8,42,990	3404655

Details of performance linked incentive- Managing Director

(Amount in Rs.)

Incentive Criteria	Achievement in %	% Incentive	Amount/ pm	Achievement in %	% Incentive	Amount / pm	Achievement in %	% Incentive	Amount/ pm	Achievement in %	% Incentive	Amount/ pm	Achievement in %	% Incentive	Amount /pm
Actual consolidated Net Profit before tax in current period as compared to that as per Board Budgeted for the same Period.	Upto 50%	50.05	75000	50.01 to 80%	62.5	93.750	80.01 to 100%	75	112500	100.01 to 110%	100.00	150000	Above 110.01%	125	187500
Increase in total revenue (consolidated) in current period compared to corresponding period	Upto 50%	16.67	25000	5.01 to 7.50%	20.83	31.250	7.51 to 10%	25	37500	10.01 to 15%	33.33	50000	Above 15.01%	41.67	62500
Total		66.72	100000		83.33	125000		100	150000		133.33	200000		166.67	250000

Service contract with the Managing Director ended on 31.03.2017 and that of Whole Time Director is upto the period ending on 10.07.2017 respectively, terminable earlier upon notice period of three months on either side; with no severance fees.
No Stock option was issued during the period.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has set up a Stakeholders' Relationship Committee to consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The committee during the year consisted of two non-executive Directors, Mr. A.K. Nair (Chairman), and Mr. K. L. Kumar as members.

There was no Stakeholders' Relationship Committee Meeting during the period 01.04.2016 – 31.03.2017.

Name and designation of Compliance Officer: Mr. G. Rajesh Kurup, Company Secretary. Number of shareholders complaints received so far: one

Number not solved to the satisfaction of the shareholders: Nil

Number of pending complaints: Nil

All valid transfer requests received upto 31.03.2017 have been registered.

7. GENERAL BODY MEETING

a) Date, Time and location of three preceeding Annual General Meetings.

AGM	Financial Year	Day	Date	Time	Location
40th	2016	Wednesday	03.08.2016	12.00 Noon	Fine Arts Hall, Ernakulam
39th	2015	Tuesday	08.09.2015	12.00 Noon	Fine Arts Hall, Ernakulam
38th	2014	Friday	11.07.2014	10.30 AM	Fine Arts Hall, Ernakulam

b) Special resolutions have been passed at the last three Annual General Meetings as under:

Date of AGM	Nature of Special Resolution
03.08.2016	1. Re-appointment of Mr. Takeo Yamaki as a wholetime Director designated as Director (Operations)
08.09.2015	1.Appointment of Mr. Takeo Yamakias a wholetime Director designated as Director (Operations) 2.Approval for Related party Transactions entered into by the Company.
11.07.2014	1. Appointment of Mr. Sajiv K. Menon as Managing Director 2. Approval of General Information furnished under Section II of Part II of Schedule XIII to the Companies Act, 1956.
	3. Payment of Leave Travel Concession (LTC) to Mr. G. Suseelan, erstwhile Managing Director

(c) Details of Special Resolution passed through postal ballot during the financial year:

No Special Resolutions were passed through postal ballot following the procedure prescribed under section 110 of the Companies Act, 2013 and Rules thereon during the financial year:

(d) The Company does not intend to pass any special resolution through postal ballot during the financial year 2017-18; which if at all conducted, shall follow the procedure prescribed under section 110 of the Companies Act, 2013 and Rules thereon.

8. MEANS OF COMMUNICATION

Quarterly results are published in prominent daily newspapers namely the Business Line (English) and Mangalam (Malayalam). Immediately after the approval of the Board, the financial results are submitted to BSE Limited where the shares of the Company are listed, and the same is also uploaded regularly in their web-based platform, <http://www.listing.bseindia.com>. Official news releases and presentations made to institutional investor/analyst, if any, shall also be in line with the above.

9 GENERAL SHAREHOLDERS' INFORMATION

- Annual General Meeting, date, time & venue: 24th June, 2017 at 12 Noon at Fine Arts Hall, Ernakulam, Kochi-682036.
- Financial Year: 1st April 2016 to 31st March 2017.
- Date of book closure: 19.06.2017 to 24.06.2017 (both days inclusive)
- Dividend payment date: (if declared at the Annual General Meeting) latest by 24.07.2017.
- The Company's Equity Shares are listed on the following Stock exchange and the annual listing fee to such Stock Exchange has been paid:
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001.
- Stock Code : 506532 (BSE)
- Market price data (monthly High and Low) of the Company's Equity shares traded on BSE Ltd, in comparison to BSE Sensex during the period April, 2016 to March, 2017 is given below
period April, 2015 to March, 2016 is given below

Year	Month	NGIL		BSE SENSEX	
		High Price	Low Price	High Price	Low Price
2016	April	235.00	199.90	26,100.54	24,523.20
	May	225.00	160.40	26,837.20	25,057.93
	June	193.50	162.50	27,105.41	25,911.33
	July	193.50	162.50	28,240.20	27,034.14
	August	199.00	173.00	28,532.25	27,627.97
	September	226.40	179.10	29,077.28	27,716.78
	October	237.45	210.10	28,477.65	27,488.30
	November	245.00	187.00	28,029.80	25,717.93
	December	221.00	193.60	26,803.76	25,753.74
2017	January	239.00	202.00	27,980.39	26,447.06
	February	214.50	190.00	29,065.31	27,590.10
	March	201.00	173.45	29,824.62	28,716.21

viii) The securities of the company are not suspended from trading during the year.

ix) Registrars and Share Transfer Agents:

With effect from 1st April 2003, the Company has appointed Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002 as Registrars & Share Transfer Agents to deal with both physical and electronic Share Registry.

x) Share transfer system

The Share Transfer Committee considers transfers/transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/consolidation/renewal. The Share Transfer Committee comprised of Mr. A.K. Nair, Director as Chairman and Mr. Sajiv K. Menon, Managing Director and Mr. K.L. Kumar, Director as members. During the year, the committee held nine meetings.

xi) Distribution of Shareholding and Shareholder's Profile:

a) Distribution of shareholding as at 31st March , 2017

No of Equity Shares held	No. of Shareholders	% of shareholders	No. of shares held				
			Physical	NSDL	CDSL	Total	% of shareholding
1-500	5687	88.58	139616	366596	188119	694331	7.65
501-1000	399	6.21	32558	177024	83705	293287	3.23
1001-10000	309	4.81	43030	505141	318631	866802	9.55
10001 and above	25	0.40	0	7011942	212798	7224740	79.57
Total	6420	100	215204	8060703	803253	9079160	100

b) Shareholders Profile as on 31st March , 2017

Category	No. of Shareholders	% of shareholders	No. of shares held	% of shareholding
Resident Indians	6053	94.28	19,57,630	21.56
Foreign Collaborator	1	0.02	3900300	42.96
Indian Collaborator	1	0.02	2862220	31.53
Domestic Companies	150	2.34	280389	3.09
Financial Institutions	1	0.02	6066	0.07
NRIs	61	0.95	24888	0.27
Overseas Corporate Bodies	0	0	0	0
Mutual Funds	6	0.09	4239	0.05
Banks	2	0.03	266	0
Clearing Member-NSDL /CDSL	32	0.50	5683	0.06
Employees	113	1.75	37479	0.41
Total	6420	100	9079160	100

- | | |
|--|--|
| <p>xii) Dematerialisation of Shares : As at 31st March, 2017, there are 8863956 shares, representing 97.63% of equity paid-up share capital in dematerialised form. This includes 8060703 shares (88.78%) in NSDL and 803253 shares (8.85) in CDSL. No shares were re-materialised during the year.</p> <p>xiii) Outstanding GDRs/ ADRs Warrants or any Convertible instruments, conversion date and likely impact on Equity (as on 31.3.2017) - Nil.</p> <p>xiv) The Company broadly follows a Policy of hedging for foreign currency receivables of about 60% of the exchange receivables.</p> | <p>xv) Plant Locations</p> <p>The Company's plants are located at:</p> <ol style="list-style-type: none"> 1. Kathikudam P.O., Via. Koratty, Trichur District, Pin- 680 308. 2. Kinfra Export Promotion Industrial Parks Ltd., PB. No.3109, Kusumagiri P.O., Ernakulam District, Pin- 682 030. 3. District Industrial Estate, Aroor, Cherthala Taluk, Alappuzha. |
|--|--|

xvi) ADDRESS FOR INVESTOR CORRESPONDENCE:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Cameo Corporate Services Ltd,
"Subramanian Building",
1, Club House Road, Chennai-600 002
Tel:044-28460390,
Fax: 044-28460129
Email:cameo@cameoindia.com | <ol style="list-style-type: none"> 2. Nitta Gelatin India Limited,
PB No.4262, 54/1446, SBT Avenue
Panampilly Nagar,
Kochi - 682 036, Kerala
Tel: 0484 -2317805,
Fax : 0484-2310568
Email : investorcell@nittagelindia.com |
|---|---|

10. OTHER DISCLOSURES

- (a) There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries which have/may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions with Related parties are given in the Notes to the Accounts (See Note No. 2.26 of Standalone Financial Statement). The company has taken omnibus approval of the Board for related party transactions. The company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. Besides, mention is also made in the Board's Report further attaching the relevant policies as annexure thereto. The web link where policy on dealing with Related Party Transactions is disclosed is:
http://115.111.176.138/nitta/uploads/homecontent/RPT_20151216012414.pdf.
- (b) There were no instances of non-compliance by the company leading to imposition of penalties, strictures by the stock exchange or SEBI or any other statutory authority, on matters related to capital markets during the last three years.
- (c) No personnel of the company has been denied access to the Audit Committee of the company (in respect of matters involving alleged misconduct). The company has provided protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined frame work. The Company has adopted measures for airing concerns about unethical behavior, both for the Directors and employees. This has been made part of the machinery of Audit Committee and informed in the official website of the company.

A mention of the same is also made in the report of the Directors.

Pursuant to proviso to Section 177 (10) of the Companies Act, 2013 a 'Vigil mechanism' has been constituted as a part of the function of Audit Committee of Board. The vigil mechanism provides for adequate safeguards against victimization of directors or employees or any other person who avail the mechanism and also provides for direct access to the chairperson of the Audit Committee in appropriate cases. The Committee shall oversee Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

- (d) All mandatory requirements have been complied with while non-mandatory requirements complied have been reported in Para 12 herein below.
- (e) The company has formulated a material subsidiary policy which has been disclosed in the company website. Besides, mention is also made in the Board's Report. The web-link where policy for determining "Material" Subsidiaries is disclosed is:
http://115.111.176.138/nitta/uploads/homecontent/MS_20151216012826.pdf.
- (f) The Company does not deal in commodity hedging activities and is therefore free from any risk arising there from.
- 11. The requirements of Sub paras (2) to (10) of the Corporate Governance Report as above have been complied with during the financial year ended 31.03.2017.
- 12. The Company has adopted discretionary requirements as per Part E of Schedule II, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as follows:
 - a) The Company has appointed separate persons to the post of Chairperson and Managing Director.
 - b) The Internal Auditors report directly to the Audit Committee of the Board.
- 13. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation (46) during the financial year ended 31.03.2017 except *that there was inadequate compliance of Regulation 24(3) in as much as minutes of the meetings of the Board of Directors of Reva Proteins Limited and Bamni Proteins Limited (unlisted subsidiaries) were not placed at the meeting of the Board of Directors of the Company on a regular basis.*
- 14. Designated e-mail id for investor complaints/grievance redressal:
investorcell@nittagelindia.com

Note:

- (1) Shareholders holding shares in electronic mode should address all correspondence to their respective depository participant.
- (2) Non-mandatory disclosures are not being included in the report except disclosures relating to Familiarisation programme and separate meeting of Independent Directors and Code of Conduct as stated in Clause 2 hereinabove.

CEO/CFO Certification:

We Shri Sajiv K Menon, Managing Director and Shri P.S ahasranaman, Chief Financial Officer of the Company, to the best of our knowledge and belief hereby certify that;

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
SAJIV K MENON
MANAGING DIRECTOR

Sd/-
P. SAHASRANAMAN
CFO

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

**(Under Schedule V(D) of the Securities and Exchange
Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015)**

As per the affirmations received from the Directors and Senior Executives of the Company, the Directors and Senior Executives have complied with the provisions of the Code of Business Conduct and Ethics applicable to Directors and Senior Executives of the Company for the financial year ended 31st March, 2017.

Sd/-
Sajiv K. Menon
Managing Director
(DIN: 00168228)

CERTIFICATE

The Members
Nitta Gelatin India Limited
Kochi -36

I have examined relevant records of Nitta Gelatin India Limited ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance for the financial year ended 31st March, 2017, as per the relevant provisions of Regulation 15(2), Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company management. My examination was limited to procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with all the applicable mandatory conditions of the said Listing Regulations, *except that there was inadequate compliance of Regulation 24(3) in as much as minutes of the meetings of the Board of Directors of Reva Proteins Limited and Bamni Proteins Limited (unlisted subsidiaries) were not placed at the meeting of the Board of Directors of the Company on a regular basis.*

Place: Kochi-25
Date : 09.05.2017

(ABHILASH NEDIYALIL ABRAHAM)
Company Secretary in Practice
Membership No. 22601
C.P No.14524
Bldg No. 32/1721A, Pallisseri Kavala
N.H. Bypass, Puthiya Road, Kochi-25

INDEPENDENT AUDITOR'S REPORT

To the Members of Nitta Gelatin India Limited,
Kochi

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Nitta Gelatin India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 Standalone 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 standalone 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 2.11.2 to the standalone financial statements which states that in view of the business plans of the subsidiary company, Reva Proteins Limited, which is expected to bring in positive cash flows in the near future, the management is of the opinion that no permanent diminution in value of investments in the subsidiary company is anticipated at this stage and hence no provision is made.

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 Act, 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 standalone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.17.2, Note 2.28.1, Note 2.28.2(1) and Note 2.28.3 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management -Refer Note 2.15.4, to the standalone financial statements

For VARMA & VARMA
(FRN : 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi - 19
Date: 09.05.2017

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 STANDALONE FINANCIAL STATEMENTS OF NITTA GELATIN INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that 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 lenders in respect of title deeds/ lease deeds deposited with them and based on the details of land and buildings furnished to us by the company, the title deeds/ lease deeds of immovable properties are held in the name of the Company.
2. We are informed that the physical verification of inventory has been conducted at reasonable intervals by the management having regard to the size of the Company and nature of its business 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 sections 185 and 186 of the Act in respect of investments and guarantees. The company has not granted any loans or given any security 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 provisions 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.

As at the year end, the following amounts of arrears of undisputed statutory dues are outstanding for a period of more than six months from the date they became payable

Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates
Water cess	63.95	25.07.2009 to 31.12.2010 and 2011-12

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts due to be deposited under Duty of Customs (the show cause cum demand notice issued by the customs authorities as referred to in Note No 2.28.3 of the standalone financial statements has not been considered as a disputed amount for reporting under this clause, pending adjudication of the notice).

According to the information and explanations given to us the following disputed amounts of income tax, sales tax, service tax, duty of excise and value added tax have not been deposited with the authorities as at March 31, 2017.

Nature of dues	Statute	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Income Tax Act, 1961	85.13 (Net of Rs 11.61 lakhs paid under protest)	2010-11 (AY 2011-12) and 2012-13 (AY 2013-14)	Commissioner of Income Tax (Appeals)
Central Sales Tax	Central Sales Tax Act, 1956	310.49 (Net of Rs 5.11 lakhs paid under protest)	2009-10	Maharashtra Sales Tax Tribunal #
Central Sales Tax	Central Sales Tax Act, 1956	20.12 (Net of Rs 8.62 lakhs paid under protest)	2010-11	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax	Central Sales Tax Act, 1956	15.41 (Net of Rs 6.60 lakhs paid under protest)	2011-12	Deputy Commissioner of Sales Tax (Appeals)
Value Added Tax	Kerala Value Added Tax Act, 2003	33.38 (Net of Rs 14.31 lakhs paid under protest)	2010-11	Deputy Commissioner of Sales Tax (Appeals)
Excise duty and penalty	Central Excise Act, 1944	10.42 (Net of Rs 0.36 lakhs paid under protest)	April 2010 to August 2013	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Cenvat credit and penalty	Central Excise Act, 1944	41.91	2010-11 to 2012-13	Commissioner (Appeals) #
Cenvat credit and penalty	Central Excise Act, 1944	14.22 (Net of Rs 0.35 lakhs paid under protest)	2010-11 to 2012-13	Commissioner (Appeals)

The appeals were filed after 31.03.2017

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 banks. The company has not taken any loans or borrowings from financial institution and government, or raised any money by way of issue of debenture.
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 any such case by the management.
11. 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 Note 2.26 to the standalone 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.

Place: Kochi - 19
Date: 09.05.2017

For VARMA & VARMA
(FRN : 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

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 STANDALONE FINANCIAL STATEMENTS OF NITTA GELATIN INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

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 Nitta Gelatin India Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone 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 the 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, 2017, 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 & VARMA
(FRN : 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi - 19
Date: 09.05.2017

NITTA GELATIN INDIA LIMITED

BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No.	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a. Share Capital	2.01	248,791,640	248,791,640
b. Reserves and Surplus	2.02	1,470,243,392	1,246,888,599
2 Non-current liabilities			
a. Long-term Borrowings	2.03	96,820,532	124,998,789
b. Deferred Tax Liabilities (Net)	2.04	85,400,000	72,084,000
c. Long-term Provisions	2.05	24,277,410	23,324,066
3 Current Liabilities			
a. Short-term Borrowings	2.06	370,056,555	398,040,676
b. Trade Payables	2.07		
(i) Total outstanding dues of micro enterprises and small enterprises		473,250	189,750
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		181,543,275	230,630,382
c. Other Current Liabilities	2.08	46,490,649	37,014,890
d. Short-term Provisions	2.09	79,575,803	105,162,955
Total		2,603,672,506	2,487,125,747
II. ASSETS			
1 Non-current Assets			
a. Fixed Assets	2.10		
i. Tangible Assets-(Property, Plant and Equipment)		784,739,447	800,201,299
ii. Intangible Assets		1,537,689	2,526,725
iii. Capital Work-in-progress		109,495,639	69,592,173
b. Non-current Investments	2.11	447,913,237	447,913,237
c. Long-term Loans and Advances	2.12	31,575,640	20,994,296
2 Current Assets			
a. Inventories	2.13	632,934,006	606,331,418
b. Trade Receivables	2.14	282,148,174	203,943,754
c. Cash and Cash Equivalents	2.15	101,303,233	195,834,764
d. Short-term Loans and Advances	2.16	87,967,970	47,072,025
e. Other Current Assets	2.17	124,057,471	92,716,056
Total		2,603,672,506	2,487,125,747

Significant Accounting Policies and Notes on Accounts 1&2
The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of
even date attached

For VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner

CHARTERED ACCOUNTANTS
Membership No. 203094

PAUL ANTONY IAS
Chairman
DIN : 02239492

RAYMOND MERZ
Director
DIN : 07498918

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

SAJIV K. MENON
Managing Director
DIN : 00168228

DR. M. BEENA IAS
Director
DIN : 03483417

SAHASRANAMAN P.
Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

K. L. KUMAR
Director
DIN : 00004804

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 09.05.2017

NITTA GELATIN INDIA LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars		Note No.	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Income				
I.	Revenue from operations (gross)	2.18	3,419,078,035	3,708,555,859
	Less : Excise duty		116,459,207	122,866,975
	Revenue from operations (net)		3,302,618,828	3,585,688,884
II.	Other Income	2.19	43,961,156	24,161,754
III.	Total Revenue		3,346,579,984	3,609,850,638
IV.	Expenses:			
	a. Cost of materials consumed	2.20	1,680,923,528	2,000,597,971
	b. Purchases of stock-in-trade		-	-
	c. Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.21	136,400,708	(26,603,472)
	d. Employee benefits expense	2.22	264,674,112	253,297,121
	e. Finance costs	2.23	29,234,493	52,607,943
	f. Depreciation and amortisation expense	2.10	105,139,624	94,300,563
	g. Other expenses	2.24	852,688,639	971,336,939
	Total Expenses		3,069,061,104	3,345,537,065
V.	Profit before tax (III-IV)		277,518,880	264,313,573
VI.	Tax expense:			
	a. Current tax		101,397,000	101,144,902
	Less: Mat Credit Entitlement		-	(19,800,000)
	b. Tax for earlier years		(12,275,220)	4,832,272
	c. Deferred tax		13,316,000	11,272,173
VII.	Profit for the period (V - VI)		175,081,100	166,864,226
VIII.	Earnings per equity share:			
	Nominal value of share Rs. 10/- (Rs. 10/-)	2.25		
	a. Basic		19.28	17.33
	b. Diluted		19.28	16.79

Significant Accounting Policies and Notes on Accounts 1&2
The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of
even date attached

For VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner

CHARTERED ACCOUNTANTS
Membership No. 203094

PAUL ANTONY IAS
Chairman
DIN : 02239492

RAYMOND MERZ
Director
DIN : 07498918

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

SAJIV K. MENON
Managing Director
DIN : 00168228

DR. M. BEENA IAS
Director
DIN : 03483417

SAHASRANAMAN P.
Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

K. L. KUMAR
Director
DIN : 00004804

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 09.05.2017

NITTA GELATIN INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	For the Year Ended 31.03.2017 Rupees	For the Year Ended 31.03.2016 Rupees
A. Cash Flows from Operating Activities		
Net Profit before Tax & Extraordinary Items	277,518,880	264,313,573
Adjustments for:		
Depreciation	105,139,624	94,300,563
(Profit)/Loss on sale of fixed assets	14,733,619	186,051
(Profit)/Loss on sale of investments	-	(240,000)
Interest Expenditure	29,234,493	52,607,943
Interest Income	(4,128,196)	(10,614,730)
Dividend Received	(10,920)	(27,300)
Foreign Exchange (Gain)/Loss	(1,689,833)	3,705,959
Provision for Doubtful debts	(180,007)	(2,675,236)
Provision for claims disputed	-	(8,685,427)
	143,098,780	128,557,823
Operating Profit / (Loss) before Working Capital Changes	420,617,660	392,871,396
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	(104,506,015)	56,477,798
(Increase)/Decrease in Inventories	(26,602,588)	(66,150,052)
Increase/(Decrease) in Trade/ other payables	(52,008,480)	(39,318,612)
	(183,117,083)	(48,990,866)
Cash generated from Operations	237,500,577	343,880,530
Direct Taxes	(78,805,098)	(54,608,963)
Cash Flow Before Extraordinary Items	158,695,479	289,271,567
Extraordinary Items	-	-
Net Cash from/(used) in Operating Activities	158,695,479	289,271,567

	For the Year Ended 31.03.2017 Rupees	For the Year Ended 31.03.2016 Rupees
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(155,550,571)	(108,364,614)
Sale of Fixed Assets	2,632,585	1,320,923
Investment in shares	-	(125,000,000)
Proceeds from sale of investments	-	480,000
Interest Received	4,195,019	10,139,097
Dividend Received	10,920	27,300
Net Cash from/(used) in Investing Activities	(148,712,047)	(221,397,294)
C. Cash Flows from Financing Activities		
Dividend Paid	(30,549,419)	(9,135,599)
Corporate Dividend Tax	(6,225,763)	(1,848,335)
Increase/(Decrease) in Short Term Borrowings	(18,818,288)	(33,153,791)
Increase/(Decrease) in Long Term Borrowings	(19,919,701)	42,491,991
Proceeds from issue of share capital	-	158,000,040
Interest Paid	(29,001,792)	(44,484,486)
Net Cash from/(used) in Financing Activities	(104,514,963)	111,869,820
Summary		
Net Cash from/(used) in Operating Activities	158,695,479	289,271,567
Net Cash from/(used) in Investing Activities	(148,712,047)	(221,397,294)
Net Cash from/(used) in Financing Activities	(104,514,963)	111,869,820
Net Increase/(Decrease) in Cash Equivalents	(94,531,531)	179,744,093
Cash and Cash Equivalents at beginning of the year	195,834,764	16,090,671
Cash and Cash Equivalents at the end of the year	101,303,233	195,834,764
	(94,531,531)	179,744,093

Note:

- Cash and cash equivalents at the end of the year includes Rs. 10,398,395 (Rs. 5,796,898) held under lien and Rs. 1,613,259 (Rs 1,581,266) deposited in unclaimed dividend account which is earmarked for payment of dividend.

As per our separate report of even date attached

For VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

For and on behalf of the Board of Directors

PAUL ANTONY IAS
Chairman
DIN : 02239492

RAYMOND MERZ
Director
DIN : 07498918

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

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Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

K. L. KUMAR
Director
DIN : 00004804

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 09.05.2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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 the previous year.

b Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require 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

Sales are recognized on transfer of title of the goods to the customers. Export incentives are recognized on exports on accrual basis, (except when there are significant uncertainties) based on the estimated realisable value of such entitlements. Other income is recognized on accrual basis, (except when there are significant uncertainties)

d Tangible Assets (Property, Plant and Equipment)

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price, (inclusive of import duties and non - refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

e. Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

f. Depreciation/ Amortisation

- i. Depreciation on Plant and Equipment (other than Service Equipment) is provided on Straight Line Method at the useful lives based on a review by the management at the year-end as under:
 - a. Plant and Machinery of Ossein Division - 8. 40 years
 - b. Plant and Machinery of Gelatin Division - 15 years
 - c. Effluent Treatment Plant at Ossein Division - 5 years
 - d. Effluent Treatment Plant at Gelatin Division - 8.40 years
- ii. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.
- iii. Lease Premium on Land is depreciated (amortised) over the period of lease.
- iv. Software costs treated as Intangible Assets are amortised over a period of five years.

g Investments

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

h 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 cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is taken at their current replacement value.

i Research & Development

Capital expenditure (net of recoveries) on Research & Development is capitalized as fixed assets and depreciated in accordance with the depreciation policy of the company. The revenue expenditure (net of recoveries) on Research & Development is charged to the Statement of Profit and Loss in the year in which it is incurred.

j 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 plans for employees comprising of Superannuation, Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

iii. Defined Benefit Plans

Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the company make contributions under the said scheme. 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 and as reduced by the fair value of plan assets, is recognized in the accounts. Actuarial gains and losses are recognized 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.

k. Expense on Employee Stock Purchase Scheme

In respect of shares issued under Employee Stock Purchase Scheme (ESPS), the excess of market price of the shares over the price at which they are issued under the scheme are treated as Employee Compensation Expense during the relevant accounting period in accordance with the applicable SEBI guidelines.

l 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 recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised 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 recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

m Foreign Currency Transactions, Forward Contracts and Derivatives

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.

Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Gain or loss on forward exchange contracts, which are intended to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions are determined by marking such contracts outstanding on Balance Sheet date to market.

The portion of the gains or losses on forward contracts and other hedging instruments designated as cash flow hedges and determined to be “effective hedges” has been recognized directly in Hedge Equalisation Reserve, whereas the portion relating to “ineffective hedges” has been recognized in the Statement of Profit and Loss. The gains or losses that are recognized directly in the Hedge Equalisation Reserve are subsequently reclassified into the Statement of Profit and Loss in the period during which the asset acquired or liability assumed affects the profit or loss. The profit or loss recognized in Hedging Reserve account, which is not expected to be recovered in future periods, has been recognized in the Statement of Profit and Loss .

n 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 capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

o Grants/ Subsidies

Grants and Subsidies in the nature of Promoters contribution or identifiable with non depreciable assets are credited to capital reserve.

Grants and Subsidies, specifically identifiable with capital assets other than depreciable assets, are credited to the carrying cost of the respective asset.

Grants/Subsidies in the nature of revenue are recognized as income over the period necessary to match them with the related costs which they are intended to compensate.

p 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 and preference dividend, if any) by the weighted average number of equity shares/ dilutive potential equity shares outstanding as at the end of the year as the case may be.

q 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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

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.

r 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 Assests are neither recognised nor disclosed in the accounts.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2 Notes on Accounts

2.01 Share Capital:

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Authorised:		
20,000,000(20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
929,412 (929,412) Optionally Convertible Non Cumulative Preference Shares of Rs.170/- each	158,000,040	158,000,040
Issued and Subscribed and fully paid:		
9,079,160 (9,079,160) Equity Shares of Rs. 10/- each	90,791,600	90,791,600
929,412 (929,412) Optionally Convertible Non Cumulative Preference Shares of Rs.170/- each (See Note 2.01.1)	158,000,040	158,000,040
	248,791,640	248,791,640

Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Rupees	Number	Rupees
a) Equity shares				
As at the beginning of the financial year	9,079,160	90,791,600	9,079,160	90,791,600
As at the end of the financial year	9,079,160	90,791,600	9,079,160	90,791,600
b) Optionally Convertible Preference shares				
As at the beginning of the financial year	929,412	158,000,040	-	-
Add : Issue of shares during the year	-	-	929,412	158,000,040
As at the end of the financial year	929,412	158,000,040	929,412	158,000,040

Particulars of Shareholders holding more than 5% in the Company

Equity shares

Particulars	As at 31.03.2017		As at 31.03.2016	
	%	No. of Shares	%	No. of Shares
Nitta Gelatin Inc. Japan	42.96	3,900,300	42.96	3,900,300
Kerala State Industrial Development Corporation Ltd	31.52	2,862,220	31.52	2,862,220

Optionally Convertible Preference shares

Particulars	As at 31.03.2017		As at 31.03.2016	
	%	No. of Shares	%	No. of Shares
Nitta Gelatin Inc. Japan	100	929,412	100	929,412

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

Terms/ Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. 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.

2.01.1 Terms/ Rights attached to Preference Shares

The company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares (OCPS) with a face value of Rs. 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, one of the promoters. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD Libor as on record date ie, 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on prorata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of Rs 10/- each within 18 months from the date of allotment (i.e 28.04.2015), in one or more financial years, at a price of Rs 170/- each (inclusive of a premium of Rs. 160/- per share). All outstanding Optionally Convertible Non-Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment.

Aggregate number of Equity shares allotted as fully paid up by way of Bonus shares during the period of 5 years immediately preceding the reporting date.

Particulars	As at 31.03.2017	As at 31.03.2016
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	579,160	579,160

2.02 Reserves and Surplus

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Securities Premium Reserve	289,590,000	289,590,000
Capital Investment Subsidy	1,500,000	1,500,000
Special Export Reserve (under the Income Tax Act, 1961)	7,900,000	7,900,000
General Reserve		
Opening Balance	723,664,400	663,664,400
Add: Transfer from Surplus	60,000,000	60,000,000
Closing Balance	783,664,400	723,664,400

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

Hedge Equalisation Reserve		
Opening Balance	15,102,305	23,478,171
Add: Net gain / (Loss) recognised on cash flow hedges	101,883,204	15,456,492
Less: Net gain / (Loss) reclassified to Statement of Profit and Loss during the year	53,609,511	23,832,358
Closing Balance	63,375,998	15,102,305
Surplus		
Opening Balance	209,131,894	139,074,843
Net Profit after tax as per Statement of Profit and Loss	175,081,100	166,864,226
Amount available for Appropriation	384,212,994	305,939,069
Less: Appropriations		
Transfer to General Reserve	60,000,000	60,000,000
Proposed Dividend [See Note 2.02.1, 2.02.2 & 2.02.3]	-	30,581,412
Tax on Proposed Dividend	-	6,225,763
Closing Balance	324,212,994	209,131,894
	1,470,243,392	1,246,888,599

2.02.1 Preference Dividend of Rs 9.18 (Rs.8.48) per share has been proposed @ 5.4029% (5.4029%) on the face value of Optionally Convertible Non cumulative Preference Shares by the Board which is subject to approval by the shareholders in the ensuing Annual General Meeting.

2.02.2 The Board of Directors has proposed an Equity dividend @ Rs.2.50 (Rs 2.50) per share for the financial year ending 31.03.2017 at their meeting held on 9th May 2017, which is subject to approval by the shareholders in the ensuing Annual General Meeting.

2.02.3 In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

2.03 Long Term Borrowings

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Secured		
Term Loans - from Banks		
From State Bank of India [See Note 2.03.1]	18,997,224	37,879,342
From Canara Bank [See Note 2.03.2]	12,823,308	22,119,447
Unsecured		
Loans and advances from Related parties		
From Nitta Gelatin Inc. [See Note 2.03.3]	65,000,000	65,000,000
	96,820,532	124,998,789

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.03.1 Secured by way of exclusive charge over the fixed assets created with the term loan assistance and collateral security by way of equitable mortgage of land owned by the Company on pari passu basis with other lenders and first charge over the other fixed assets of Company on pari passu basis. The interest rate is LIBOR + 3.75 %.

The principal amount of the loan is to be repaid on monthly installments in the following manner:

Period	Amount in Foreign Currency (USD)	Amount Rs
From, February 2016 to March 2017	14,583	984,608
From, April 2017 to March 2019	21,874	1,428,363
In April 2019	28,438	1,856,990

2.03.2 Secured by exclusive charge over the fixed assets created with the term loan assistance. The principal amount is to be paid in 20 quarterly instalments of Rs 2,250,000 starting from December 2014 as per the original terms. During the year 2015-16, the term loans had been converted into foreign currency, based on the same the quarterly installments had been reset to an amount in foreign currency of \$ 33,122 (Rs. 2,162,890) The interest rate is LIBOR + 5.00 %.

2.03.3 The external commercial borrowings (ECB) is not Secured by any charge over the assets of the company. The principal amount is to be paid in lumpsum after the end of 7 years from the date of credit of the ECB funds into the account of the company, ie 24.03.2016 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.

2.03.4 Current Maturities of Long-term borrowing (disclosed under other current liabilities in Note No.2.08)

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Term Loans		
From State Bank of India	17,140,466	11,684,142
From Canara Bank	8,651,560	8,846,320
	25,792,026	20,530,462

2.04 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
A. Deferred Tax Liability		
On excess of net book value over Income tax written down value of fixed assets	108,293,000	104,606,000
Timing differences on assessment of income	7,472,000	7,472,000
B. Deferred Tax Assets		
On Provisions	10,394,000	10,236,000
On other disallowances	16,774,000	29,758,000
Timing differences on assesment of income	3,197,000	-
Deferred Tax Liabilities (Net) (A-B)	85,400,000	72,084,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.05 Long-term Provisions

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Provision for Employee Benefits [See Note 2.05.1]	24,277,410	23,324,066
	24,277,410	23,324,066

2.05.1 Disclosures required under Accounting Standard 15 - "Employee Benefits"

a. Defined Contribution Plans

During the year the following amounts have been recognized 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	15,878,556	13,781,016
Employers contribution to Employee's State Insurance	297,637	352,204
Employers contribution to Superannuation Fund	5,717,363	3,702,432

b. Defined Benefit Plans - Gratuity: Funded Obligation

i. Actuarial Assumptions	Current Year	Previous Year
Discount Rate (per annum)	8.00%	8.00%
Expected return on plan assets	8.75%	8.75%
Salary escalation rate*	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (1994-96) Ultimate	LIC (2006-2008) Ultimate

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

ii. Reconciliation of present value of obligation	Current Year Rupees	Previous Year Rupees
Present value of obligation at the beginning of the year	50,387,798	44,734,672
Current Service Cost	3,563,555	3,323,146
Interest Cost	4,173,566	3,537,594
Actuarial (gain)/ loss	(1,336,342)	(178,122)
Benefits Paid	(3,759,919)	(1,029,492)
Present value of obligation at the end of the year	53,028,658	50,387,798

iii. Reconciliation of fair value of plan assets	Current Year Rupees	Previous Year Rupees
Fair value of plan assets at the beginning of the year	51,680,106	41,709,598
Expected return on plan assets	4,134,408	3,954,550
Actuarial gain/ (loss)	(3,413,089)	(954,550)
Contributions to the fund	5,420,213	8,000,000
Contributions towards direct benefit payments	-	-
Benefits paid from fund	(3,759,919)	(1,029,492)
Fair value of plan assets at the end of the year	54,061,719	51,680,106

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

iv. Description of Plan Assets	Current Year Rupees	Previous Year Rupees
Insurer Managed Funds (LIC of India)	54,061,719	51,680,106

v. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2016-17 Rupees	2015-16 Rupees	2014-15 Rupees	2013-14 Rupees	2012-13 Rupees
Present value of obligation at the end of the year	53,028,658	50,387,798	44,734,672	35,756,107	38,885,727
Fair value of plan assets at the end of the year	54,061,719	51,680,106	41,709,598	38,144,915	30,249,051
Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	(1,033,061)	(1,292,308)	3,025,074	(2,388,808)	8,636,676

vi. Expenses recognized in the Statement of Profit and Loss	Current Year Rupees	Previous Year Rupees
Current Service Cost	3,563,555	3,323,146
Interest Cost	4,173,566	3,537,594
Actuarial (gain)/ loss recognized in the period	2,076,747	776,427
Past Service Cost (if applicable)	-	-
Expected return on plan assets	(4,134,408)	(3,954,550)
Total expenses recognized in the Statement of Profit and Loss for the year	5,679,460	3,682,617
Actual return on plan assets	721,319	3,000,000

The above disclosures are based on information furnished 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)	8.00%	8.00%
Salary escalation rate*	5.00%	5.00%
Mortality rate	Indian assured Lives mortality (1994-96) Ultimate table	LIC (2006-2008) Ultimate

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

ii. Reconciliation of present value of obligation	Current Year Rupees	Previous Year Rupees
Present value of obligation at the beginning of the year	25,700,091	22,822,389
Current Service Cost	9,446,187	2,014,931
Interest Cost	2,433,856	1,598,607
Actuarial (gain)/ loss	(8,746,803)	3,919,001
Benefits Paid	(4,555,921)	(4,654,837)
Present value of obligation at the end of the year	24,277,410	25,700,091

iii. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2016-17 Rupees	2015-16 Rupees	2014-15 Rupees	2013-14 Rupees	2012-13 Rupees
Present value of obligation at the end of the year	24,277,410	25,700,091	22,822,389	18,108,478	20,603,718
Fair value of plan assets at the end of the year	-	-	-	-	-
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	24,277,410	25,700,091	22,822,389	18,108,478	20,603,718

iv. Expenses recognized in the Statement of Profit and Loss	Current Year Rupees	Previous Year Rupees
Current Service Cost	9,446,187	2,014,931
Interest Cost	2,433,856	1,598,607
Actuarial (gain)/ loss recognized in the period	(8,746,803)	3,919,001
Past Service Cost (if applicable)	-	-
Total expenses recognized in the Statement of Profit and Loss for the year	3,133,240	7,532,539

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

2.06 Short-term Borrowings

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Working Capital Loan from Banks (Secured) (See Note 2.06.1)	370,056,555	398,040,676
	370,056,555	398,040,676

2.06.1 Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash & bank balances, other current assets and loans & advances, present & future and by way of pari passu charge on the fixed assets of the Company. The loans are repayable on demand except in the case of Buyers Credit amounting to Rs NIL (Rs 14,333,382) which is repayable within a period of 70 days to 90 days from the date of avilment as per terms.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.07 Trade Payables

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
(i) Total outstanding dues of micro enterprises and small enterprises	473,250	189,750
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	181,543,275	230,630,382
	182,016,525	230,820,132

2.07.1 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. Intimations have been received from some of the suppliers regarding their status under the said Act as at the year end, based on which, principal amount unpaid to such suppliers as at the year end aggregating to Rs. 473,250 (Rs. 189,750) has been included under Trade Payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

2.08 Other Current Liabilities

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Current maturities of long term borrowings (See Note 2.03.1 and 2.03.2)	25,792,026	20,530,462
Unpaid Dividend	1,613,259	1,581,266
Interest accrued and due on borrowings	162,271	197,706
Interest accrued but not due on borrowings	351,929	83,793
Other Payables -		
- Statutory Dues	7,333,121	6,345,501
- Advance from Customers	1,701,909	254,625
- Creditors for Capital Goods	7,824,935	6,252,579
- Other Recoveries Payable	1,711,199	1,768,958
	46,490,649	37,014,890

2.09 Short-term Provisions

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Provision for employee benefits [See Note 2.05.1]	-	2,376,025
Others		
- Proposed Dividend	-	30,581,412
- Corporate Dividend Tax	-	6,225,763
- Excise Duty	13,229,289	11,050,417
- Entry Tax	1,100,494	-
- Sales Tax	2,874,385	2,874,385
- Water Cess	6,183,200	6,183,200
- Income Tax (net)	56,188,435	45,871,753
	79,575,803	105,162,955

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017 (CONTD.)
NOTE NO. 2.10 - FIXED ASSETS AND CAPITAL WORK IN PROGRESS**

Particulars	GROSS BLOCK (At cost)			DEPRECIATION/IMPAIRMENT			NET BLOCK	
	As at 01-04-2016	Additions	Disposals/ Adjustments	As at 31-03-2017	As at 01-04-2016	For the year Adjustments	As at 31-03-2017	As at 31-03-2016
FIXED ASSETS:								
(A) Tangible Assets (Property, Plant & Equipment)								
Land and Development	44,070,945	-	-	44,070,945	-	-	-	44,070,945
	(44,070,945)	-	-	(44,070,945)	-	-	-	(44,070,945)
Leasehold Land	26,148,286	-	-	26,148,286	4,957,786	290,246	5,248,032	20,900,254
	(26,148,286)	-	-	(26,148,286)	(4,667,540)	(290,246)	(4,957,786)	(21,190,500)
Buildings	331,242,989	10,392,912	2,914,147	338,721,754	202,766,778	12,690,895	214,594,818	124,126,936
	(322,458,276)	(8,784,713)	-	(331,242,989)	(188,743,357)	(14,023,421)	(202,766,778)	(128,476,211)
Plant & Equipment [See Note 2.10.1]	1,654,706,035	89,567,813	37,628,929	1,706,644,919	1,057,323,576	87,269,464	1,121,449,008	585,195,911
	(1,555,963,630)	(108,842,429)	(10,100,024)	(1,654,706,035)	(991,472,592)	(74,741,244)	(1,057,323,576)	(597,382,459)
Office Equipments	20,434,546	2,250,000	2,752,567	19,931,979	16,989,660	2,006,048	16,363,301	3,568,678
	(19,706,814)	(2,025,963)	(1,298,231)	(20,434,546)	(16,429,098)	(1,793,881)	(16,989,660)	(3,444,886)
Furniture & Fixtures	8,929,604	436,559	67736	9,298,427	7,824,430	517,543	8,277,623	1,020,804
	(8,758,233)	(191,001)	(19,630)	(8,929,604)	(7,359,670)	(483,511)	(7,824,430)	(1,105,174)
Vehicles	9,644,155	4,085,838	6,006,982	7,723,011	5,113,031	1,377,571	1,867,092	5,855,919
	(6,895,058)	(4,661,895)	(1,912,798)	(9,644,155)	(4,927,498)	(1,866,912)	(5,113,031)	(4,531,124)
Total Tangible Assets	2,095,176,560	106,733,122	49,370,361	2,152,539,321	1,294,975,261	104,151,767	1,367,799,874	800,201,299
Previous Year	1,984,001,242	124,506,001	13,330,683	2,095,176,560	1,213,599,755	93,199,215	1,294,975,261	800,201,299
(B) Intangible Assets								
Software	16,985,674	-	23,596	16,962,078	14,458,949	987,857	15,424,389	2,526,725
	(15,662,825)	(1,322,849)	-	(16,985,674)	(13,357,601)	(1,101,348)	(14,458,949)	(2,305,224)
Total Assets (A+B)	2,112,162,234	106,733,122	49,393,957	2,169,501,399	1,309,434,210	105,139,624	1,383,224,263	802,728,024
Previous Year	1,999,664,067	125,828,850	13,330,683	2,112,162,234	1,226,957,356	94,300,563	1,309,434,210	772,706,711

(Amount in Rupees)									
Particulars	GROSS BLOCK (At cost)			DEPRECIATION/IMPAIRMENT			NET BLOCK		
	As at 01-04-2016	Additions	Disposals/ Adjust- ments	As at 31-03-2017	As at 01-04-2016	For the year	Disposal/ Adjustments	As at 31-03-2017	As at 31-03-2016
CAPITAL WORK IN PROGRESS:									
Building and Plant under construction	650,268	6,023,762	517,519	6,156,511				6,156,511	650,268
	(2,913,299)	(517,519)	(2,780,550)	(650,268)				(650,268)	(2,913,299)
Plant, Machinery and Equipment under installation	68,941,905	99,370,218	64,972,995	103,339,128				103,339,128	68,941,905
	(81,114,138)	(42,456,714)	(54,628,947)	(68,941,905)				(68,941,905)	(81,114,138)
Total	69,592,173	105,393,980	65,490,514	109,495,639				109,495,639	69,592,173
Previous Year	84,027,437	42,974,233	57,409,497	69,592,173				69,592,173	84,027,437

2.10.1 Additions to Plant and Equipment include Reserves and Development assets of Rs. 1,608,211 (Rs. 1,677,585) purchased during the year and transfer from Capital Work-in-Progress of Rs. Nil (Rs. 33,091,003).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.11 Non-current Investments

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Investment in Equity Instruments (at Cost) - Long term		
Quoted (Non Trade):		
a. 4200 (4200) Equity Shares of Rs.1/- each in State Bank of India, fully paid up	146,300	146,300
b. 100 (100) Equity Shares of Rs.10/- each in Industrial Finance Corporation of India Limited, fully paid up	3,500	3,500
Aggregate amount of quoted investments (A)	149,800	149,800
Aggregate Market Value: Rs 1,107,797 (Rs. 818,520)		
Unquoted (Trade):		
a. In Subsidiary Companies (See Note 2.11.2):		
3,500,000 (3,500,000) fully paid up Equity Shares of Rs.10/- each in Bamni Proteins Limited	35,000,437	35,000,437
14,060,520 (14,060,520) fully paid up Equity Shares of Rs.10/- each in Reva Proteins Limited	284,013,000	284,013,000
b. In Associate Company:		
288,000 (288,000) fully paid up Equity Shares of Rs.10/- each in K.K Organics (P) Limited [See Note 2.11.1]	-	2,880,000
<i>Less: Provision for diminution in value of investments</i>	-	(2,880,000)
c. Others:		
60,000 (60,000) fully paid up Equity Shares of Rs.10/- each in Kerala Enviro Infrastructure Limited	600,000	600,000
300,000 (300,000) fully paid up Equity Shares of Rs. 10/- each in Seafood Park (India) Limited	3,150,000	3,150,000
50,000 (50,000) fully paid up Equity Shares of Rs.10/- each in Cochin Waste 2 Energy Private Limited	500,000	500,000
<i>Less: Provision for diminution in value of investments</i>	(500,000)	(500,000)
Aggregate amount of unquoted investments (B)	322,763,437	322,763,437
Investment in Preference shares (at Cost) - Long term		
Unquoted (Trade):		
a. In Subsidiary Companies (See Note 2.11.2):		
12,500,000 (12,500,000) 6 % fully paid up Optionally Convertible Non cumulative Preference shares of Rs.10/- each in Reva Proteins Limited (See Note 2.11.3)	125,000,000	125,000,000
Aggregate amount of unquoted investments (C)	125,000,000	125,000,000
Aggregate provision for diminution in value of investments Rs. 500,000 (Rs. 3,380,000)		
Total Investments (A + B+ C)	447,913,237	447,913,237

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.11.1 During the current year, the company has written off the book value of investments in the associate company M/s K. K. Organics Private Limited by adjusting the value of investment in full against the provision made in an earlier year towards permanent diminution in the value of investments made in the said company.

2.11.2 In view of the business plans of the subsidiary company, Reva Proteins Limited, which is expected to bring in positive cash flows in the near future, the management is of the opinion that no diminution in value of investments in the subsidiary company is anticipated at this stage and hence no provision is made.

2.11.3 In respect of the 6 % Optionally Convertible Non- Cumulative Preference Shares (OCPS) of Rs 10 each, fully paid up of Reva Proteins Ltd, the option for conversion into equity shares is to be exercised within six years from the date of allotment (23.03.2016). The outstanding OCPS which are not converted will get redeemed in two equal tranches at the end of the 7th and 8th year commencing from such date of allotment of OCPS.

2.12 Long-term Loans and Advances

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Unsecured (Considered Good)		
Capital Advance	18,756,083	8,269,744
Others		
- Loan to employees	408,242	618,418
- Deposits	12,411,315	12,106,134
Unsecured (Considered Doubtful)		
Sales Tax Deposit	-	1,100,494
<i>Less: Provision for doubtful deposits</i>	-	<i>1,100,494</i>
	-	-
	31,575,640	20,994,296

2.13 Inventories

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Raw Materials	226,523,257	143,576,734
Raw Materials in transit	19,615,776	-
Work-in-progress	173,990,537	241,351,097
Finished Goods	91,474,415	160,514,563
Stores & Spares	114,491,101	54,177,326
Others - Packing Materials	6,838,920	6,711,698
	632,934,006	606,331,418

2.13.1 Method of Valuation of Inventories - Refer 1(h) of Significant Accounting Policies.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.14 Trade Receivables

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, Considered Good	789,304	578,059
Unsecured, Considered Doubtful	3,214,853	3,394,860
	4,004,157	3,972,919
Less: Provision for Doubtful Debts	3,214,853	3,394,860
	789,304	578,059
Others (Unsecured, Considered Good)	281,358,870	203,365,695
	282,148,174	203,943,754

2.15 Cash and Cash Equivalents

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Balance with Banks		
In Current Accounts	32,392,203	6,845,483
In Deposit Accounts	68,696,713	188,146,410
Cash on hand	214,317	842,871
	101,303,233	195,834,764

2.15.1 Balance with banks in Current Accounts include earmarked balances for unpaid dividend of Rs. 1,613,259 (Rs. 1,581,266) and debit balances in overdraft account amounting to Rs.183,922 (Rs. 972,987).

2.15.2 Balance with banks in Deposit Accounts include Rs.9,186,963 (Rs. 5,239,761) with a maturity period of less than 12 months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit and Rs. 58,298,318 (Rs 1,82,349,512) being other short term deposits with a maturity period of less than 12 months.

2.15.3 Balance with banks in Deposit Accounts include Rs. 1,211,432 (Rs. 557,137) with a maturity period beyond 12 months, which are held as security against Letter of Credits/ Guarantee.

2.15.4 Specified Bank Notes (SBN) transacted during the period 08th November 2016 to 30th December 2016.

Particulars	SBN	Other Denomina- tion notes	Total
Closing Cash in hand as on 08.11.2016	282,500	212,366	494,866
(+) Permitted receipts	-	2,383,202	2,383,202
(-) Permitted Payments	-	2,133,684	2,133,684
(-) Amount deposited in banks	282,500	147	282,647
Closing cash in hand as on 30.12.2016	-	461,737	461,737

Note: The above disclosures do not include direct remittances made by customers into the Bank Account of the Company Rs. 194,556 (SBN - Rs. 59,000 and other denomination notes Rs. 135, 556).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
(Unsecured, Considered Good)		
Advance to Related Parties:		
- To Subsidiary Company [See Note 2.16.1]	42,377,751	-
Others:		
- Advances recoverable in cash or in kind or for value to be received.	35,069,132	40,986,491
- Loan to employees	222,711	307,387
- Deposits	623,475	667,902
- Balances with Central Excise, Customs etc.	9,674,901	5,110,245
	87,967,970	47,072,025

2.16.1 Advance to Subsidiary company Reva Proteins Limited represents trade advance for purchase of materials made in the ordinary course of business.

2.17 Other Current Assets

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Interest Receivable	945,256	1,012,079
Assets held for disposal [See Note 2.17.1]	12,271,364	12,271,364
Export Incentive [See Note 2.17.2]	64,660,537	55,610,805
<i>Less: Provision for Claims Disputed</i>	<i>(17,776,195)</i>	<i>(17,776,195)</i>
	46,884,342	37,834,610
Claims recoverable - Reva Proteins Ltd, Subsidiary Company	-	10,529,864
Forward contract receivables (Marked to market Gain)	54,210,115	24,234,055
Others	9,746,394	6,834,084
	124,057,471	92,716,056

2.17.1 Assets held for disposal represents cost of plant and machinery proposed to be sold by the company. Steps are being taken to dispose the said assets at the earliest and hence continued to be classified as current assets.

2.17.2 Export incentives receivable includes:

- a) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to Rs 6,461,789 (Rs 6,461,789) has been decided against the company by the division bench of the Hon High Court of Kerala during an earlier year. The company has sought further appeal before Hon Supreme Court and although the company is hopeful of favourable order, provision has been created in respect of such disputed claims in the books of account as a matter of abundant caution.
- b) Claims amounting to Rs 20,818,015 (Rs 20,818,015) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to Rs 4,151,031 (Rs 4,151,031) The Dy. Director General of Foreign Trade vide letter dt 03.10.2011 had informed the company that the dual

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. Though the management is of the opinion that these claims are fully recoverable, provision has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of abundant caution.

2.18 Revenue from operations

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
<u>Sale of Products</u>		
Gross Sales	3,341,995,184	3,609,374,263
<u>Other Operating Revenues</u>		
Miscellaneous Sales	14,089,911	32,793,116
Export Incentive [See Note 2.17.2]	25,324,160	39,636,693
Other Miscellaneous Income	37,668,780	26,751,787
	77,082,851	99,181,596
	3,419,078,035	3,708,555,859
<i>Less: Excise Duty collected on domestic sales</i>	<i>116,459,207</i>	<i>122,866,975</i>
	3,302,618,828	3,585,688,884

2.19 Other Income

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Interest Income	4,128,196	10,614,730
Dividend Income from Non Current Investments	10,920	27,300
Foreign Exchange Rate Variation (net)	39,632,440	13,129,724
Net gain on sale of investments	-	240,000
Other non operating Income	189,600	150,000
	43,961,156	24,161,754

2.20 Cost of materials consumed

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Opening Stock	143,576,734	100,392,588
Add: Purchases	1,783,485,827	2,043,782,117
	1,927,062,561	2,144,174,705
<i>Less: Closing Stock</i>	<i>246,139,033</i>	<i>143,576,734</i>
	1,680,923,528	2,000,597,971

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.21 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Closing Stock		
Finished Goods	91,474,415	160,514,563
Work-in-progress	173,990,537	241,351,097
	265,464,952	401,865,660
Less:		
Opening Stock		
Finished Goods	160,514,563	119,831,319
Work-in-progress	241,351,097	255,430,869
	401,865,660	375,262,188
	(136,400,708)	26,603,472

2.22 Employee benefits expense

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Salaries & Wages	202,727,096	201,696,616
Contribution to Provident and Other Funds	27,581,326	21,481,516
Workmen and Staff Welfare Expenses	34,365,690	30,118,989
	264,674,112	253,297,121

2.23 Finance costs

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Interest Expense	29,234,493	52,607,943
	29,234,493	52,607,943

2.24 Other Expenses

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Conversion charges	136,677,486	204,151,075
Consumption of Stores, Spares & Consumables	46,572,191	53,399,856
Packing materials Consumed	28,811,730	34,711,448
Research & Development Expenditure [See Note 2.24.1]	7,763,819	7,545,358
Power, Fuel, Water & Gas	288,145,156	313,910,704
Repairs		
- Building	17,860,185	16,536,512
- Plant & Machinery	66,221,626	84,246,092
- Others	32,679,003	31,630,709
Loading, Transportation and Other charges on products	69,417,047	53,028,123
Freight on Exports	14,535,026	15,546,133
Insurance	6,924,484	7,050,356

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Rent	3,347,456	1,834,425
Rates & Taxes	11,075,335	11,076,751
Postage & Telephone	4,020,090	3,710,281
Printing & Stationery	1,998,302	1,663,431
Travelling & Conveyance	22,811,439	24,857,385
Director's sitting fee	743,316	666,000
Payments to the Auditor [See Note 2.24.2]	1,768,277	1,682,420
Advertisement & Publicity	2,274,147	2,441,012
Discount & Commission on Sales	11,091,568	18,007,743
Professional & Consultancy charges	26,598,429	31,207,133
Bank Charges	5,990,514	5,387,680
Miscellaneous Expenses	28,486,118	44,912,711
Expenses on Corporate Social Responsibility activities [See Note 2.24.3]	2,142,276	1,947,550
Loss on assets sold / written off (net)	14,733,619	186,051
	852,688,639	971,336,939

2.24.1 Details of Research & Development Expenditure

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Revenue Expenditure		
Salary & Allowances	2,610,893	3,986,172
Other Expenses	5,152,926	3,559,186
	7,763,819	7,545,358

2.24.2 Payments to the auditor

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
a. Statutory Audit Fees	800,000	735,000
b. Other Services		
- Taxation Matters (Including Tax Audit)	491,767	486,925
- Others	420,726	411,515
- Reimbursement of Expenses	55,784	48,980
	1,768,277	1,682,420

2.24.3 Details of expenses on Corporate Social Responsibility activities

- a. Gross amount required to be spent by the company during the year Rs.1,943,202 (Rs.1,923,004)
- b. Amount spent during the year on:
 - i. Construction/acquisition of any asset Rs. Nil (Nil)
 - ii. On purposes other than (i) above Rs. 2,142,276 (Rs 1,947,550)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.25 a) Earnings per equity share- Basic

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Net Profit after taxation	175,081,100	166,864,226
Less : Preference dividend and tax thereon	-	9,488,437
Net Profit available for equity shareholders	175,081,100	157,375,789
Weighted average number of Equity Shares of Rs. 10/- each (fully paid-up) - Basic	9,079,160	9,079,160
Earnings per share - Basic	19.28	17.33

b) Earnings per equity share - Diluted

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Net Profit after taxation	175,081,100	166,864,226
Net Profit available for equity shareholders	175,081,100	166,864,226
Weighted average number of Equity Shares of Rs. 10/- each (fully paid-up)	9,079,160	9,079,160
Weighted average number of Diluted potential equity Shares of Rs. 10/- each upon conversion of Optionally Convertible Preference Shares	-	860,849
	9,079,160	9,940,009
Earnings per share - Diluted	19.28	16.79

2.26 Disclosure of transactions with Related Parties as required by Accounting Standard - 18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A. Related parties and nature of relationship

i.	Nitta Gelatin Inc.	-	Enterprise having substantial interest in the Company
ii.	Nitta Gelatin NA Inc.	-	Subsidiary of Nitta Gelatin Inc
iii.	Nitta Gelatin Canada Inc.	-	Subsidiary of Nitta Gelatin Inc
iv.	Bamni Proteins Limited	-	Subsidiary Company
v.	Reva Proteins Limited	-	Subsidiary Company
vi.	K K Organics Private Limited	-	Associate Company
vii.	K. T. Chandy Seiichi Nitta Foundation	-	Trust controlled by the Company
viii.	Key Managerial Personnel		
	Mr Sajiv K. Menon	-	Managing Director (w.e.f. 01.04.2014)
	Mr. Takeo Yamaki	-	Whole Time Director (w.e.f. 11.07.2014)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

B. Description of Transactions

(Amount in Rupees)

Nature of Transaction	Subsidiary Company/ Associate Company/Trust controlled by the Company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
Sale and Income				
1 Sale of Goods:				
Nitta Gelatin Inc		934,900,116 (1,146,446,715)		934,900,116 (1,146,446,715)
Nitta Gelatin NA Inc		562,850,864 (536,573,926)		562,850,864 (536,573,926)
Reva Proteins Ltd	19,347,765 (-)			19,347,765 (-)
2 Sale of packing materials and spares:				
Bamni Proteins Ltd	190,942 (-)			190,942 (-)
3 Expenses recovered :				
Bamni Proteins Ltd	689,882 (791,445)			689,882 (791,445)
Reva Proteins Ltd	3,453,565 (3,448,224)			3,453,565 (3,448,224)
4 Commission on sales				
Nitta Gelatin Inc		1,494,645 (1,610,325)		1,494,645 (1,610,325)
Nitta Gelatin Canada		- (9,076)		- (9,076)
5 GSP duty refund received on exports to related party refunded by them				
Nitta Gelatin NA Inc		1,616,052 (24,856,306)		1,616,052 (24,856,306)
6 Rebate expense no longer payable written back				
Nitta Gelatin Inc		- (5,959,288)		- (5,959,288)
Nitta Gelatin NA Inc.		- (1,715,386)		- (1,715,386)
7 Interest income on Trade advance				
Reva Proteins Ltd	- (3,935,104)			- (3,935,104)
8 Capsule consulting fee no longer payable written back				
Nitta Gelatin Inc		- (2,174,955)		- (2,174,955)
9 Guarantee commission recovered				
Reva Proteins Ltd	313,499 (285,156)			313,499 (285,156)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

(Amount in Rupees)

Nature of Transaction	Subsidiary Company/ Associate Company/Trust controlled by the Company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
10 Support Fee for service rendered recovered Reva Proteins Ltd	1,353,600 (-)			1,353,600 (-)
Purchase and Expenses				
1 Purchase of Goods: Nitta Gelatin Inc		- (378,256)		- (378,256)
Reva Proteins Ltd	146,447,048 (-)			146,447,048
2 Commission expense: Nitta Gelatin Inc - For Sale of Gelatin - For Sale of Peptide		1,042,796 (296,745) 451,849 (523,971)		1,042,796 (296,745) 451,849 (523,971)
3 Commission income of earlier year written off Nitta Gelatin Inc - For Sale of Gelatin		- (3,239,000)		- (3,239,000)
4 Rent paid : Bamni Proteins Ltd	120,000 (120,000)			120,000 (120,000)
5 Conversion charges: Bamni Proteins Limited Reva Proteins Limited	134,787,664 (139,130,985) 1,889,822 (65,020,090)			134,787,664 (139,130,985) 1,889,822 (65,020,090)
6 Rebate/ Discount expense: Nitta Gelatin Inc Nitta Gelatin NA Inc		3,820,724 (7,512,698) 872,090 (1,072,048)		3,820,724 (7,512,698) 872,090 (1,072,048)
7 Technical Assistance Fee: Nitta Gelatin Inc		1,802,911 (1,876,612)		1,802,911 (1,876,612)
8 Interest expense on External Commercial Borrowings Nitta Gelatin Inc		3,971,017 (83,793)		3,971,017 (83,793)
9 Reimbursement of Expenses (Net): Nitta Gelatin Inc		482,640 (1,042,594)		482,640 (1,042,594)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

(Amount in Rupees)

Nature of Transaction	Subsidiary Company/ Associate Company/Trust controlled by the Company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
Reva Proteins Limited	1,617,126			1,617,126
	(6,912,393)			(6,912,393)
Bamni Proteins Limited	5,114,331			5,114,331
	(6,391,953)			(6,391,953)
10 Donations/Corporate Social Responsibility contribution K.T.Chandy Seichi Nitta Foundation (See Note 2.24.3)	1,014,886			1,014,886
	(858,550)			(858,550)
11 Remuneration to Managing Director			13,159,438	13,159,438
			(12,051,094)	(12,051,094)
12 Remuneration to Whole Time Director			3,404,655	3,404,655
			(2,522,767)	(2,522,767)
Investments made				
Reva Proteins Limited	-			-
	(125,000,000)			(125,000,000)
Loans taken				
Nitta Gelatin Inc		-		-
		(65,000,000)		(65,000,000)
Refundable deposit given				
- Reva Proteins Limited	-			-
	(200,000)			(200,000)
Refundable deposit recovered				
- Reva Proteins Limited	200,000			200,000
	(200,000)			(200,000)
Guarantees Given				
Reva Proteins Limited	30,000,000			30,000,000
(See Note 2.26.1)	(12,500,000)			(12,500,000)
Dividend Paid on Equity shares				
Nitta Gelatin Inc		9,750,750		9,750,750
		(3,900,300)		(3,900,300)
Dividend Paid on Preference shares (proposed)				
Nitta Gelatin Inc		-		-
		(7,883,512)		(7,883,512)
Balances as at 31.03.2017				
Guarantees given				
Reva Proteins Limited	242,500,000			242,500,000
	(212,500,000)			(212,500,000)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

(Amount in Rupees)

Nature of Transaction	Subsidiary Company/ Associate Company/Trust controlled by the Company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
Investments				
1 Reva Protiens Limited	409,013,000 (409,013,000)			409,013,000 (409,013,000)
2 Bamni Protiens Limited	35,000,437 (35,000,437)			35,000,437 (35,000,437)
3 K.K. Organics Private Limited [See note 2.11.01]	- (2,880,000)			- (2,880,000)
* Provision created for loss in investments Rs. Nil (Rs. 2,880,000)				
Receivables				
1 Nitta Gelatin Inc		28,409,290 (33,717,206)		28,409,290 (33,717,206)
2 Nitta Gelatin NA Inc		11,270,364 (22,524,247)		11,270,364 (22,524,247)
3 Reva Proteins Limited				
-Trade Advance	42,377,751 (-)			42,377,751 (-)
-Claims Recoverable	- (10,529,864)			- (10,529,864)
-Refundable deposit for Director nomination	- (200,000)			- (200,000)
Payables				
1 Reva Proteins Ltd	- (5,658,376)			- (5,658,376)
2 Bamni Proteins Ltd	19,074,150 (18,466,307)			19,074,150 (18,466,307)
3 Nitta Gelatin Inc				
-Term loan		65,000,000 (65,000,000)		65,000,000 (65,000,000)
-Other payables		8,439,297 (10,340,167)		8,439,297 (10,340,167)
4 Nitta Gelatin NA Inc				
-Other payables		457,034 (472,732)		457,034 (472,732)

2.26.1 Represents guarantees given in respect of loans taken by Reva Proteins Limited from banks/ financial institutions. During the year the company has given guarantee for loan taken by Reva Proteins Limited amounting to Rs 30,000,000 (Rs 12,500,000) in compliance with Sec 186 of the Companies Act, 2013.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.27 Segment Information

The company is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment. However, based on geographical factors, reportable geographic segments have been identified as export sales and domestic sales. The segment wise information pertaining to the reportable geographical segments as above is as follows:

Particulars	Export Rupees	Domestic Rupees	Consolidated Rupees
Segment Revenue (External Sales)	1,675,427,920	1,550,108,057	3,225,535,977
	(1,792,169,705)	(1,694,337,583)	(3,486,507,288)
Segment Result	426,213,233	148,157,937	574,371,170
	(408,908,410)	(201,693,746)	(610,602,156)
Unallocated Expenditure (Net)			267,617,797
			(293,680,640)
Interest Expense			29,234,493
			(52,607,943)
Profit before Taxation			277,518,880
			(264,313,573)

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 segments.

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

2.28.1 Provisions

Nature of Provision	Balance as at 01.04.2016	Additional Pro- vision during the year	Amounts used/ changed dur- ing the year	Unused amounts reversed	Balance as at 31.03.2017
Provision for Central Excise Duty. [See Note 2.28.1(i)]	11,050,417	2,178,872	-	-	13,229,289
	(10,393,020)	(657,397)	-	-	(11,050,417)
Provision for Central Sales Tax [See Note 2.28.1(ii)]	2,874,385	-	-	-	2,874,385
	-	(2,874,385)	-	-	(2,874,385)
Provision for Water Cess [See Note 2.28.2(iv)]	6,183,200	-	-	-	6,183,200
	(6,183,200)	-	-	-	(6,183,200)
Provision for Entry Tax [See Note 2.28.1(iii)]	-	1,100,494	-	-	1,100,494
	-	-	-	-	-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.28.1(i) Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to Rs. 35,074,543 (Rs. 35,074,543) which has been disputed by the company. Though no demand has been raised by the department, based on legal advice received, the company has created a provision of Rs.13,229,289 (Rs 11,050,417) as a matter of abundant caution and the balance amount of Rs. 21,845,254 (Rs 24,024,126) has been disclosed as a contingent liability.

2.28.1(ii) The Central Sales Tax authorities had raised demand on assessment for an earlier year amounting to Rs 2,874,385 (Rs 2,874,385) which has been disputed in appeal. Though the management is of the opinion that these demands are not fully sustainable, provision has been created in the accounts for the aforesaid amount as a matter of abundant caution.

2.28.1(iii) The Sales Tax authorities had raised demand for entry tax on furnace oil for an amount of Rs.2,200,998 in an earlier year and was under appeal. Against the demand an amount of Rs 1,100,494 was deposited under protest and later a provision of equivalent amount was created for the doubtful deposit. During the year, the Supreme Court Tax has held that levy of furnace oil is valid constitutionally and the company has made additional provision of Rs.1,100,494, being the balance as per the demand as a matter of abundant caution.

2.28.2 Contingent Liabilities not provided for:

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
1. Claims against the Company not acknowledged as debts:		
a. Income Tax [See Note 2.28.2(i)]	27,798,822	34,783,675
b. Value Added Tax/ CST [See Note 2.28.2(ii)]	34,888,363	43,745,239
c. Excise Duty [See Note 2.28.1(i) and 2.28.2(iii)]	29,269,900	29,238,581
d. Water Cess [See Note 2.28.2(iv)]	65,301,200	65,301,200
2. Foreign Bills Discounted	242,527,831	169,247,046
3. Domestic Bills Discounted	-	10,417,520
4. Counter Guarantee issued in favour of bankers	10,840,610	5,961,540
5. Corporate guarantee issued in favour of Subsidiary Company		
a. Reva Proteins Limited. - Amount outstanding	150,631,271	131,241,629
[Amount of Guarantee - Rs 242,500,000 (Rs 212,500,000)]		
Total	561,257,997	489,936,430

2.28.2(i) The Income Tax department has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

2.28.2(ii) The Value Added tax/CST authorities had raised demands on assessment for some earlier years amounting to Rs.34,888,363 (Rs.43,745,239) (net of bank guarantees amounting to Rs. 4,879,070(Nil) included in 2.28.2 (4) above), which had been disputed by the Company on appeal. Based on legal advice, no provision is considered necessary towards the said demands and the amount involved is disclosed as contingent liability.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.28.2(iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the company and towards cenvat credits availed aggregating to Rs.6,729,274 (Rs 3,480,352) which have been disputed by the company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed aggregating to Rs.695,372 (Rs 1,734,103), which have been represented before adjudicating authorities. In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

2.28.2(iv) During an earlier year, an amount of Rs 71,484,000 was demanded as water cess for extraction of river water for industrial use during the period from 01.04.1979 to 31.12.2010, in accordance with a Government Order issued on 25.07.2009. The company had been legally advised that the demands may not be fully sustainable in law and had filed a writ petition before the Hon' High Court of Kerala against the proceedings, which is pending.

The company had also made a representation to the Secretary (Water Resources), Government of Kerala which is pending consideration of the Government. Pursuant to discussions with Government authorities, the company had entered into an agreement for payment of such charges for the periods subsequent to 01.01.2011. Further, a provision of Rs 6,183,200 towards disputed charges for the period from 25.07.2009 to 31.12.2010, being periods subsequent to issue of the Government Order, was made in the accounts in an earlier year as a matter of abundant caution.

In the opinion of the management, having regard to the legal advice, no provision is considered necessary for charges for periods from 01.04.1979 to 24.07.2009 amounting to Rs 65,301,200, being periods prior to the issue of the G.O. which has been disclosed as contingent liability.

2.28.3 The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the company. As per legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the notice is pending adjudication, in view of which there is no contingent liability.

2.29 Estimated amount of contracts remaining to be executed on capital account - Rs. 26,007,513 (Rs.49,233,558).

2.30 a. In respect of Capital Goods imported at concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately Rs. 1,690,000 (Rs. 1,730,000) which is required to be fulfilled at different dates until 2021. In the event of non fulfillment of the export obligation, the Company will be liable for the Customs duties and penalties as applicable.

b. In respect of Raw materials imported at concessional rate of duty under the Advance Authorisation Scheme, the Company has an export obligation of approximately Rs. 190,500,000 (Rs.251,710,000) which is required to be fulfilled at different dates until 2016. The Company has applied to the Directorate General of Foreign Trade for extension of export obligation period as per provisions, which is however pending at this stage. In the event of non fulfillment of the export obligation/non extension of period, the Company may be liable for the Customs duties and penalties as applicable.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

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

2.32 The financial risks arising to the company include foreign exchange risk. As a part of company's risk management policy, the exchange risks arising from foreign currency fluctuations are partly hedged by forward contracts, foreign currency packing credit and buyers credit designated as cash flow hedges. The fair value of derivative contract is determined based on mark to market price, ie, the price that would be paid / received to transfer a liability / asset as at the reporting date.

2.32.1 The following are the hedging instruments designated as cash flow hedges entered by the company and outstanding as at Balance Sheet date, determined to be effective hedges:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Foreign Currency	Fair Value Rupees	Foreign Currency	Fair Value Rupees
Export transactions:				
a) Forward contracts (USD)	12,000,000	790,096,250	16,300,000	1,107,916,338
b) Foreign currency packing credit and buyers credit:				
USD	5,660,712	369,644,503	5,827,547	389,105,323
EURO	-	-	79,503	6,024,734

2.32.2(i) Hedged foreign currency exposures as at Balance Sheet date

Particulars	As at 31.03.2017		As at 31.03.2016	
	Foreign Currency	Rupees	Foreign Currency	Rupees
Receivables	-	-	-	-

2.32.2 (ii) Un hedged foreign currency exposures as at Balance Sheet date

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Foreign Currency	Rupees	Foreign Currency	Rupees
Receivables				
USD	809,864	52,155,267	1,011,197	66,607,550
EURO	173,000	11,838,390	172,000	12,745,200
Payables				
USD	176,660	11,535,903	202,958	13,551,535
EURO	6,050	423,681	16,958	1,287,351
Japanese YEN	2,741,730	1,620,467	2,741,730	1,605,543

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.33 Turnover and Opening and Closing stock

Particulars	Sales Rupees	Closing Inventory Rupees		Opening Inventory Rupees	
		Finished Goods	Work in progress	Finished Goods	Work in progress
Ossein	507,906,708 (656,605,923)	38,282,523 (81,109,903)	- -	81,109,903 (46,648,719)	- -
Dicalcium Phosphate	523,767,079 (577,848,522)	2,741,192 (3,706,576)	- -	3,706,576 (3,597,297)	- -
Gelatin	1,964,977,217 (1,912,164,523)	11,507,137 (30,579,465)	157,792,442 (218,076,316)	30,579,465 (22,100,602)	218,076,316 (234,421,184)
Collagen Peptide	168,375,822 (194,374,247)	17,105,721 (28,299,882)	- -	28,299,882 (40,363,284)	- -
Others	60,509,151 (145,514,073)	21,837,842 (16,818,737)	16,198,095 (23,274,781)	16,818,737 (7,121,417)	23,274,781 (21,009,685)
	3,225,535,977	91,474,415	173,990,537	160,514,563	241,351,097
	(3,486,507,288)	(160,514,563)	(241,351,097)	(119,831,319)	(255,430,869)

2.34 Particulars of raw materials consumed during the year

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	Value (Rs.)	Value (Rs.)
Crushed Bone	1,182,236,588	1,614,010,819
Ossein	35,772,254	12,368,062
Hydrochloric Acid	56,717,110	56,943,022
Hydrated Lime	39,146,121	47,157,380
Limed Ossein	205,482,201	94,853,739
Others	161,569,254	175,264,949
	1,680,923,528	2,000,597,971

2.35 Breakup of Consumption

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw Materials				
Imported	3.50	58,841,312	2.98	59,545,467
Indigenous	96.50	1,622,082,216	97.02	1,941,052,504
Total	100.00	1,680,923,528	100.00	2,000,597,971
Stores & Spares *				
Imported	4.98	5,615,532	6.40	6,812,292
Indigenous	95.02	107,178,285	93.60	99,673,996
Total	100.00	112,793,817	100.00	106,486,288
*Debited under Stores & Spares Consumed		46,572,191		53,399,856
*Debited under Repairs & Maintenance		66,221,626		53,086,432
		112,793,817		106,486,288

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 (CONTD.)

2.36 CIF Value of Imports

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Raw Materials	63,756,834	29,775,394
Packing Materials	2,490,158	1,579,387
Components, Stores and Spares	10,772,925	4,721,399
Capital Goods	15,557,360	10,758,820
	92,577,277	46,835,000

2.37 Expenditure in foreign currency on account of :

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Professional, Consultation fee and Interest	32,929,561	19,165,109
Other Matters (including travel)	15,866,688	8,943,360
	48,796,249	28,108,469

2.38 Remittance in foreign currencies on account of dividend (including remittance to NRE Account)

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Equity dividend	Preference dividend	Equity dividend	Preference dividend
i. No. of non-resident shareholders to whom dividend was remitted	1	1	1	-
ii. No. of shares held by them	3,900,300	929,412	3,900,300	-
iii. Year to which the dividend related	2015-16	2015-16	2014-15	-
iv. Amount remitted (Rupees)	9,750,750	7,883,512	3,900,300	-

2.39 Earnings in Foreign Exchange

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Export of goods calculated on FOB basis	1,660,892,894	1,776,316,342
Commission	-	1,610,325
GSP Duty refund received	1,616,052	24,856,306
	1,662,508,946	1,802,782,973

2.40 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 report of even date attached	For and on behalf of the Board of Directors		
For VARMA & VARMA (FRN: 004532S)	PAUL ANTONY IAS Chairman DIN : 02239492	SAJIV K. MENON Managing Director DIN : 00168228	RADHA UNNI Director DIN : 03242769
(VIJAY NARAYAN GOVIND) Partner CHARTERED ACCOUNTANTS Membership No. 203094	RAYMOND MERZ Director DIN : 07498918	DR. M. BEENA IAS Director DIN : 03483417	K. L. KUMAR Director DIN : 00004804
	DR. K. CHERIAN VARGHESE Director DIN : 01870530		
Place: Kochi Date: 09.05.2017		SAHASRANAMAN P. Chief Financial Officer	G. RAJESH KURUP Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Nitta Gelatin India Limited,
Kochi

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Nitta Gelatin India Limited (hereinafter referred to as "the Holding Company") and its two subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated

financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 2.12.2 to the consolidated financial statements which states that in view of the business plans of the subsidiary company M/s Reva Proteins Limited, which is expected to bring in positive cash flows in the near future, the management of the subsidiary company is of the opinion that there is no impairment in the value of the fixed assets of the subsidiary company at this stage.

Our opinion is not modified in respect of this matter

Other Matters

As stated in Note No 1(a) to the consolidated financial statements, during the current year, the company has written off the book value of investments in the associate company M/s K. K. Organics Private Limited by adjusting the value of investment in full against the provision made in an earlier year towards permanent diminution in the value of investments made in the said company and there is no further amount of loss to be recognized towards the same in the Consolidated financial statements in accordance with Accounting Standard- 23 (Accounting for investments in Associates in Consolidated Financial Statements) notified under Companies (Accounting Standards) Rules, 2006 and has hence not been considered for consolidation purpose.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated 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 of the respective companies as on 31st March, 2017 taken on record by the Board of Directors of such companies, none of the directors of the Group companies is disqualified as on 31st March, 2017 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 Group 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note No 2.20.1, Note No 2.31.1, Note No 2.31.2(1) and Note No 2.23.3 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Companies.
- iv. The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit

procedures and relying on the management representation obtained by the Holding company and subsidiary companies, we report that the disclosures are in accordance with books of account maintained by the respective companies of the Group and as produced to us by the Management of the respective companies -Refer Note 2.18.4, to the consolidated financial statements

For VARMA & VARMA
(FRN : 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place : Kochi-19
Date : 09.05.2017

ANNEXURE A REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NITTA GELATIN INDIA LIMITED AND ITS TWO SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH 2017

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

In conjunction with our audit of the consolidated financial statements of Nitta Gelatin India Limited (hereinafter referred to as “the Holding Company”) and its two subsidiaries, which are companies incorporated in India, (the Holding Company and its subsidiaries together referred to as “the Group”) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Group, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are 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 (ICAI). 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 the respective 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 Group’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 Group'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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2017, based on the internal control over financial reporting criteria established by the respective companies 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 & VARMA
(FRN : 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place : Kochi-19
Date : 09.05.2017

NITTA GELATIN INDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No.	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a. Share Capital	2.02	248,791,640	248,791,640
b. Reserves and Surplus	2.03	1,224,222,002	1,053,250,665
c. Minority Interest	2.04	19,037,612	37,644,059
2 Non-current liabilities			
a. Long-term borrowings	2.05	311,130,430	338,987,404
b. Deferred tax liabilities (Net)	2.06	78,188,800	65,724,000
c. Long-term provisions	2.07	27,936,956	38,746,055
3 Current Liabilities			
a. Short-term borrowings	2.08	394,418,904	398,040,676
b. Trade payables	2.09		
(i) Total outstanding dues of micro enterprises and small enterprises		473,250	189,750
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		244,327,232	225,829,894
c. Other current liabilities	2.10	89,644,299	48,704,084
d. Short-term provisions	2.11	82,358,606	107,473,487
Total		2,720,529,731	2,563,381,714
II. ASSETS			
1 Non-current assets			
a. Fixed Assets	2.12		
i. Tangible Assets (Property, Plant and Equipment)		1,177,562,193	1,197,420,307
ii. Intangible Assets		3,756,849	2,526,725
iii. Capital work-in-progress		128,209,812	83,763,129
iv. Intangible assets under development		-	1,688,947
b. Non-current investments	2.13	8,039,800	7,439,800
c. Long-term loans and advances	2.14	54,183,357	49,599,876
d. Other Non-current assets	2.15	1,084,995	-
2 Current Assets			
a. Inventories	2.16	738,583,746	614,529,166
b. Trade Receivables	2.17	283,514,470	203,943,754
c. Cash and Cash Equivalents	2.18	152,251,808	271,463,704
d. Short-term loans and advances	2.19	48,017,016	48,127,404
e. Other Current Assets	2.20	125,325,685	82,878,902
Total		2,720,529,731	2,563,381,714

Significant Accounting Policies and Notes on Accounts 1&2
The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of
even date attached

For VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner

CHARTERED ACCOUNTANTS
Membership No. 203094

PAUL ANTONY IAS
Chairman
DIN : 02239492

RAYMOND MERZ
Director
DIN : 07498918

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

SAJIV K. MENON
Managing Director
DIN : 00168228

DR. M. BEENA IAS
Director
DIN : 03483417

SAHASRANAMAN P.
Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

K. L. KUMAR
Director
DIN : 00004804

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 09.05.2017

NITTA GELATIN INDIA LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No.	Year ended 31.03.2017 Rupees	Year ended 31.03.2016 Rupees
Income			
I. Revenue from operations (gross)	2.21	3,598,753,291	3,708,482,081
Less : Excise duty		116,459,207	122,866,975
Revenue from operations (net)		3,482,294,084	3,585,615,106
II. Other Income	2.22	49,735,704	23,327,511
III. Total Revenue		3,532,029,788	3,608,942,617
IV. Expenses:			
a. Cost of materials consumed	2.23	1,822,583,550	2,000,597,971
b. Purchases of stock-in-trade		-	-
c. Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.24	62,957,746	(26,603,472)
d. Employee benefits expense	2.25	330,598,400	313,811,256
e. Finance costs	2.26	53,625,287	70,235,982
f. Depreciation and amortisation expense	2.12	138,053,755	127,625,362
g. Other expenses	2.27	913,882,183	941,847,733
Total Expenses		3,321,700,921	3,427,514,832
V. Profit / (Loss) before tax (III-IV)		210,328,867	181,427,785
VI. Tax expense:			
a. Current tax		105,872,000	105,861,293
Less : Mat Credit Entitlement			(19,800,000)
b. Tax for earlier years		(12,099,130)	4,832,272
c. Deferred tax		12,464,800	4,912,173
VII. Profit / (Loss) for the period (V - VI)		104,091,197	85,622,047
VIII. Less: Share of Profit/(Loss) of Subsidiaries for the year transferred to Minority Interest		(18,606,447)	(21,680,755)
IX. Profit / (Loss) for the period after Minority Interest [VII-VIII]		122,697,644	107,302,802
X. Earnings per equity share:	2.28		
Nominal value of share Rs. 10/- (Rs. 10/-)			
a. Basic		13.51	10.77
b. Diluted		13.51	10.77

Significant Accounting Policies and Notes on Accounts 1&2

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of even date attached

For VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner

CHARTERED ACCOUNTANTS
Membership No. 203094

PAUL ANTONY IAS
Chairman
DIN : 02239492

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DIN : 03242769

K. L. KUMAR
Director
DIN : 00004804

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 09.05.2017

NITTA GELATIN INDIA LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	For the Year Ended 31.03.2017 Rupees	For the Year Ended 31.03.2016 Rupees
A. Cash Flows from Operating Activities		
Net Profit / (Loss) before Tax & Extraordinary Items	210,328,867	181,427,785
Adjustments for:		
Depreciation	138,053,755	127,625,362
(Profit)/Loss on sale/write off of fixed assets	15,303,285	186,051
(Profit)/Loss on sale of investments	-	(240,000)
Interest Expenditure	53,625,287	70,235,982
Interest Income	(8,719,025)	(9,780,487)
Dividend Received	(10,920)	(27,300)
Foreign Exchange (Gain)/Loss	(1,689,833)	3,705,959
Provision for Doubtful debts	(180,007)	(2,675,236)
Provision for claims disputed	-	(8,685,427)
	<u>196,382,542</u>	<u>180,344,904</u>
Operating Profit / (Loss) before Working Capital Changes	406,711,409	361,772,689
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	(74,474,753)	16,376,861
(Increase)/Decrease in Inventories	(124,054,580)	(64,174,103)
Increase/(Decrease) in Trade/ other payables	<u>14,609,789</u>	<u>(51,719,633)</u>
	(183,919,544)	(99,516,875)
Cash generated from Operations	222,791,865	262,255,814
Direct Taxes	(77,542,415)	(58,389,812)
Cash Flow Before Extraordinary Items	145,249,450	203,866,002
Extraordinary Items	-	-
Net Cash from/(used) in Operating Activities	145,249,450	203,866,002
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(191,777,673)	(146,185,840)
Sale of Fixed Assets	2,650,603	1,320,923
Investment in shares	(600,000)	-
Proceeds from sale of investments	-	480,000
Interest Received	8,993,599	9,092,858
Dividend Received	10,920	27,300
Net Cash from/(used) in Investing Activities	(180,722,551)	(135,264,759)
C. Cash Flows from Financing Activities		
Dividend Paid	(30,549,419)	(9,135,599)
Corporate Dividend Tax	(6,225,763)	(1,848,335)
Increase/(Decrease) in Short Term Borrowings	5,544,061	(33,153,791)
Increase/(Decrease) in Long Term Borrowings	(530,059)	132,487,788
Proceeds from issue of share capital	-	158,000,040
Interest Paid	(51,977,615)	(61,801,252)
Net Cash from/(used) in Financing Activities	(83,738,795)	184,548,851

NITTA GELATIN INDIA LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	For the Year Ended 31.03.2017 Rupees	For the Year Ended 31.03.2016 Rupees
Summary		
Net Cash from/(used) in Operating Activities	145,249,450	203,866,002
Net Cash from/(used) in Investing Activities	(180,722,551)	(135,264,759)
Net Cash from/(used) in Financing Activities	(83,738,795)	184,548,851
Net Increase/(Decrease) in Cash Equivalents	(119,211,896)	253,150,094
 Cash and Cash Equivalents at beginning of the year	 271,463,704	 18,313,610
Cash and Cash Equivalents at the end of the year	152,251,808	271,463,704
	(119,211,896)	253,150,094

Note :

- Cash and cash equivalents at the end of the year includes Rs. 10,398,395 (Rs. 6,160,236) held under lien and Rs. 1,613,259 (Rs. 1,581,266) deposited in unclaimed dividend account which is earmarked for payment of dividend

For and on behalf of the Board of Directors

As per our separate report of
even date attached

For VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner

CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi
Date: 09.05.2017

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G. RAJESH KURUP
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

1. Significant Accounting Policies

a Basis of Preparation

The consolidated Financial Statements of Nitta Gelatin India Limited (The Company) and its subsidiaries Bamni Proteins Limited and Reva Proteins Limited, collectively referred to as the 'Group' have been prepared in accordance with Accounting Standard - 21 (AS 21), "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006, read with amendments thereon.

During the current year, the company has written off the book value of investments in the associate company M/s K. K. Organics Private Limited by adjusting the value of investment in full against the provision made in an earlier year towards permanent diminution in the value of investments made in the said company and there is no further amount of loss to be recognized towards the same in the Consolidated financial statements in accordance with Accounting Standard- 23 (Accounting for investments in Associates in Consolidated Financial Statements) notified under Companies (Accounting Standards) Rules, 2006 and has hence not been considered for consolidation purpose.

b Principles of Consolidation

The Consolidated Financial Statements of the Group relate to the holding company Nitta Gelatin India Limited ("the company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting in unrealised profit or losses, where material, in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the carrying cost of the investment in the subsidiary companies, over the net assets at the time of acquisition of shares in the subsidiary companies entity is recognised as Goodwill / Capital reserve as the case maybe.
- c) Goodwill arising on consolidation is not amortised, but tested for impairment on periodic basis and impairment loss if any, is recognised.
- d) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate Financial Statements except as otherwise stated elsewhere in this schedule.

c Basis of Accounting

The consolidated financial statements 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 the previous year.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

d Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require 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.

e Revenue Recognition

Sales are recognized on transfer of title of the goods to the customers. Export incentives are recognized on exports on accrual basis, (except when there are significant uncertainties) based on the estimated realisable value of such entitlements. Other income is recognized on accrual basis, (except when there are significant uncertainties)

f Tangible Assets (Property, Plant and Equipment)

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price, (inclusive of import duties and non – refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

g Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

H Depreciation/ Amortisation

In the case of the company and subsidiary Bamni Proteins Limited

- i. Depreciation on Plant and Equipment (other than Service Equipment) is provided on Straight Line Method at the useful lives based on a review by the management at the year-end as under:
 - a. Plant and Machinery at the Bamni Proteins Limited and at Ossein Division of the Company - 8.40 years
 - b. Plant and Machinery of Gelatin Division of the company - 15 years
 - c. Effluent Treatment Plant at the Bamni Proteins Limited and at Ossein division of the Company - 5 years

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

- d. Effluent Treatment Plant at Gelatin Division of the company - 8.40 years
- ii. Depreciation on Service Equipment and other items of Property, Plant and Equipment is provided on Written Down Value Method at the rates provided in Schedule II of the Companies Act, 2013 based on a review by the management at the year end.
- iii. Lease Premium on Land is depreciated (amortised) over the period of lease.
- iv. software cost treated as Intangible Assets are amortised over a period of five years.

In the case of the subsidiary Reva Proteins Limited

- i Depreciation on Plant and Machinery (Other than Service Equipments) is provided on Straight Line Method basis and for Service Equipments and other assets, is provided on Written Down Value method based on the useful life of Property, Plant and Equipment prescribed under Schedule II of the Companies Act, 2013, based on a review by the management at the year-end.
- ii Lease Premium on Land is amortised over the period of lease.
- iii. Cost of software treated as Intangible Assets is amortised over a period of 5 years.

I Investments

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

During the current year, the company has written off the book value of investments in the associate company M/s K. K. Organics Private Limited by adjusting the value of investment in full against the provision made in an earlier year towards permanent diminution in the value of investments made in the said company and there is no further amount of loss to be recognized towards the same in the Consolidated financial statements in accordance with Accounting Standard- 23 (Accounting for investments in Associates in Consolidated Financial Statements) notified under Companies (Accounting Standards) Rules, 2006 and has hence not been considered for consolidation purpose.

j 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 cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is taken at their current replacement value.

k Research & Development

Capital expenditure (net of recoveries) on Research & Development is capitalized as fixed assets and depreciated in accordance with the depreciation policy of the company. The revenue expenditure (net of recoveries) on Research & Development is charged to the Statement of Profit and Loss in the year in which it is incurred.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

I 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

In the case of the Company:

The company has defined contribution plans for employees comprising of Superannuation, Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

In the case of the Subsidiaries:

The companies have 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

In the case of the Company:

Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the company makes contributions under the said scheme. 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 and as reduced by the fair value of plan assets, is recognized in the accounts. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

In the case of the subsidiary M/s. Bamny Proteins Limited:

Payment of Gratuity to employees is covered by the SBI Life Cap- Assure Gold Gratuity Scheme of the SBI Life Insurance Co. Ltd., which is a defined benefit scheme and the company make contributions under the said scheme. 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 and as reduced by the fair value of plan assets, is recognized in the accounts. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

In the case of the subsidiary M/s. Reva Proteins Limited:

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 and its subsidiaries have schemes 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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

v. Termination Benefits

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

m **Expense on Employee Stock Purchase Scheme**

In respect of shares issued under Employee Stock Purchase Scheme (ESPS), the excess of market price of the shares over the price at which they are issued under the scheme are treated as Employee Compensation Expense during the relevant accounting period in accordance with the applicable SEBI guidelines.

n **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 recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised 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 recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

o **Foreign Currency Transactions, Forward Contracts and Derivatives**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gain/loss arising during the year are adjusted to the Statement of Profit and Loss.

Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Gain or loss on forward exchange contracts, which are intended to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions are determined by marking such contracts outstanding on Balance Sheet date to market.

The portion of the gains or losses on forward contracts and other hedging instruments designated as cash flow hedges and determined to be "effective hedges" has been recognized directly in Hedging Reserve Account, whereas the portion relating to "ineffective hedges" has been recognized in the Statement of Profit and Loss. The gains or losses that are recognized directly in the Hedging Reserve Account are subsequently reclassified into the Statement of Profit and Loss

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

in the period during which the asset acquired or liability assumed affects the profit or loss. The profit or loss recognized in Hedging Reserve Account, which is not expected to be recovered in future periods, has been recognized in the Statement of Profit and Loss.

p 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 capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

q Grants/ Subsidies

Grants and Subsidies in the nature of Promoters contribution or identifiable with non depreciable assets are credited to capital reserve.

Grants and Subsidies, specifically identifiable with capital assets other than non-depreciable assets, are credited to the carrying cost of the respective asset.

Grants/Subsidies in the nature of revenue are recognized as income over the period necessary to match them with the related costs which they are intended to compensate.

r 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/ dilutive potential equity shares outstanding as at the end of the year as the case may be.

s 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.

t 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 recognized nor disclosed in the accounts.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2 Notes on Accounts

2.01 Nitta Gelatin India Limited has controlling interest in the following entities during the year ended 31.03.2017 :

Name of Entity	Country of Incorporation	Controlling Interest
Bamni Proteins Limited	India	82.35% (82.35%)
Reva Proteins Limited	India	74.55%(74.55%)

2.02 Share Capital:

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Authorised:		
20,000,000(20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000
929,412 (929,412) Optionally Convertible Non Cumulative Preference Shares of Rs.170/- each	158,000,040	158,000,040
Issued and Subscribed and fully paid:		
9,079,160 (9,079,160) Equity Shares of Rs. 10/- each	90,791,600	90,791,600
929,412 (929,412) Optionally Convertible Non Cumulative Preference Shares of Rs.170/- each (See Note 2.02.1)	158,000,040	158,000,040
	248,791,640	248,791,640

Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Rupees	Number	Rupees
a) Equity shares				
As at the beginning of the financial year	9,079,160	90,791,600	9,079,160	90,791,600
As at the end of the financial year	9,079,160	90,791,600	9,079,160	90,791,600
b) Optionally Convertible Preference shares				
As at the beginning of the financial year	929,412	158,000,040	-	-
Add : Issue of shares during the year	-	-	929,412	158,000,040
As at the end of the financial year	929,412	158,000,040	929,412	158,000,040

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

a) Equity shares				
Particulars	As at 31.03.2017		As at 31.03.2016	
	%	Number of shares	%	Number of shares
Nitta Gelatin Inc., Japan	42.96	3,900,300	42.96	3,900,300
Kerala State Industrial Development Corporation Ltd	31.52	2,862,220	31.52	2,862,220

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

b) Optionally Convertible Preference shares

Particulars	As at 31.03.2017		As at 31.03.2016	
	%	Number of shares	%	Number of shares
Nitta Gelatin Inc., Japan	100	929,412	100	929,412

Terms/ Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. 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.

2.02.1 Terms/ Rights attached to Preference Shares

The company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares (OCPS) with a face value of Rs. 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, one of the promoters. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD Libor as on record date ie, 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on prorata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of Rs 10/- each within 18 months from the date of allotment (i.e 28.04.2015), in one or more financial years, at a price of Rs 170/- each (inclusive of a premium of Rs. 160/- per share). All outstanding Optionally Convertible Non-Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment.

Aggregate number of Equity shares allotted as fully paid up by way of Bonus shares during the period of 5 years immediately preceding the reporting date

Particulars	As at 31.03.2017	As at 31.03.2016
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	579,160	579,160

2.03 Reserves and Surplus

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Securities Premium Reserve	306,768,715	306,768,715
Capital Investment Subsidy	1,500,000	1,500,000
Special Export Reserve		
(under the Income Tax Act, 1961)	7,900,000	7,900,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

General Reserve		
Opening Balance	723,664,400	663,664,400
Add: Transfer from Surplus	60,000,000	60,000,000
Closing Balance	783,664,400	723,664,400
Hedge Equalisation Reserve		
Opening Balance	15,102,305	23,478,171
Add: Net gain / (loss) recognised on cash flow hedges	101,883,204	15,456,492
Less: Net gain / (loss) reclassified to Statement of Profit and Loss during the year	(53,609,511)	23,832,358
	63,375,998	15,102,305
Surplus		
Opening Balance	(1,684,755)	-12,180,382
Add: Profit / (loss) for the period after Minority Interest transferred from the Statement of Profit and Loss	122,697,644	107,302,802
Amount available for Appropriation	121,012,889	95,122,420
Less: Appropriations		
Transfer to General Reserve	60,000,000	60,000,000
Proposed Dividend [See Note 2.03.1, 2.03.2 and 2.03.3]	-	30,581,412
Tax on proposed Dividend	-	6,225,763
Closing Balance	61,012,889	(1,684,755)
	1,224,222,002	1,053,250,665

2.03.1 Preference Dividend of Rs 9.18 (Rs.8.48) per share has been proposed @ 5.4029% (5.4029%) on the face value of Optionally Convertible Non cumulative Preference Shares by the Board which is subject to approval by the shareholders in the ensuing Annual general Meeting. .

2.03.2 The Board of Directors has proposed an Equity dividend @ Rs.2.50 (Rs.2.50) per share for the financial year ending 31.03.2017 at their meeting held on 9th May 2017, which is subject to approval by the shareholders in the ensuing Annual General Meeting.

2.03.3 In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and Corporate Dividend Tax thereon has not been recognised as a distribution of profit in the current year's accounts.

2.04 Minority Interest

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Share Capital	55,500,000	55,500,000
Add: Share of Securities premium	54,821,285	54,821,285
Add: Share of accumulated reserves	(72,677,226)	(50,996,471)
	37,644,059	59,324,814
Add: Profit/(Loss) of subsidiaries for the year transferred from Statement of Profit and Loss	(18,606,447)	(21,680,755)
	19,037,612	37,644,059

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.05 Long term Borrowings

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Secured		
<i>In case of the Company</i>		
Term Loans		
From State Bank of India [See Note 2.05.1]	18,997,224	37,879,342
From Canara Bank [See Note 2.05.2]	12,823,308	22,119,447
<i>In case of the Subsidiary,</i>		
<i>Reva Proteins Limited</i>		
Term Loans		
From HDFC Bank [See Note 2.05.3]	8,590,807	10,638,615
From Kerala State Industrial Development Corporation (See Note 2.05.4 and 2.05.5)	115,719,091	113,350,000
Unsecured		
Loans and advances from Related parties		
<i>In case of the Company</i>		
Nitta Gelatin Inc. [See Note 2.05.6]	65,000,000	65,000,000
<i>In case of the Subsidiary,</i>		
<i>Reva Proteins Limited</i>		
Nitta Gelatin Inc. [See Note 2.05.7]	90,000,000	90,000,000
	311,130,430	338,987,404

2.05.1 Secured by way of exclusive charge over the fixed assets created with the term loan assistance and collateral security by way of equitable mortgage of land owned by the Company on pari passu basis with other lenders and first charge over the other fixed assets of Company on pari passu basis. The interest rate is LIBOR + 3.75 %.

The principal amount of the loan is to be repaid on monthly installments in the following manner:

Period	Amount in Foreign Currency (USD)	Amount Rs
From, February 2016 to March 2017	14,583	984,608
From, April 2017 to March 2019	21,874	1,428,363
In April 2019	28,438	1,856,990

2.05.2 Secured by exclusive charge over the fixed assets created with the term loan assistance. The principal amount is to be paid in 20 quarterly installments of Rs 2,250,000 starting from December 2014 as per the original terms. During the year 2015-16, the term loans had been converted into foreign currency, based on the same the quarterly installments had been reset to an amount in foreign currency of \$ 33,122 (Rs 2,162,890) The interest rate is LIBOR + 5.00 %.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.05.3 Secured by way of exclusive first charge over the fixed assets financed out of the term loan, second charge over the existing fixed assets of the company and Corporate Guarantee of the Holding Company - M/s Nitta Gelatin India Limited. The loan is repayable in 72 equated monthly installments (including interest), commencing from 07.06.2015 in the following manner:

Period	Amount in Rs
From, March 2016 to May 2016	116,667
From, June 2016 to April 2021	273,029
In May 2021	34,588

2.05.4 (a) Secured by way of exclusive first charge over the fixed assets of the company including leasehold assets, both present and future and Corporate Guarantee of the Holding Company - M/s Nitta Gelatin India Limited.

The principal is repayable in 22 equal monthly installments, commencing from 11.03.2017 in the following manner:

Period	Amount in Rs
From, March 2017 to December 2019	5,400,000
From, December 2019 to December 2022	5,350,000
From, March 2022 to December 2023	1,875,000

(b) Interest is payable as and when applied. Interest Rate is 10.50% p.a

2.05.5 (a) Secured by way of single mortgage by way of extension of exclusive first charge all the leasehold property held under lease deed no. 1237 of 2010 dated 07/07/2010, SRO Jhagadia and Corporate Guarantee of the Holding Company - M/s Nitta Gelatin India Limited.

The principal is repayable in 28 equal monthly installments, commencing from 11.03.2017 in the following manner: .

Period	Amount in Rs
From, March 2017 to December 2019	625,000
From, December 2019 to December 2022	1,250,000
From, March 2022 to December 2023	1,875,000

2.05.6 The external commercial borrowings (ECB) is not Secured by any charge over the assets of the company. The principal amount is to be paid in lumpsum after the end of 7 years from the date of credit of the ECB funds into the account of the company, ie 24.03.2016 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.

2.05.7 (a) The principal is repayable in 20 equal quarterly installments, commencing from 15.09.2018 in the following manner:

Period	Amount in Rs
From, September 2018 to June 2023	4,500,000

(b) Interest is payable on quarterly basis along with principal at 6 months USD LIBOR Rate + 5.00 % p.a.

2.05.8 Current Maturities of Long - term borrowing (disclosed under other current liabilities in Note 2.10)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.06 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
<i>In case of Company:</i>		
Deferred Tax Liability		
On excess of net book value over Income tax written down value of fixed assets	108,293,000	104,606,000
Timing differences on assessment of income	7,472,000	7,472,000
Deferred Tax Assets		
On Provisions	10,394,000	10,236,000
On other disallowances	16,774,000	29,758,000
Timing differences on assessment of income	3,197,000	-
Net Deferred Tax Liability / (Asset) (A)	85,400,000	72,084,000
<i>In case of Subsidiary: Bamni Proteins Ltd [See Note 2.06.1]</i>		
Deferred Tax Liability		
On excess of net book value over Income tax written down value of fixed assets	-	100,000
Deferred Tax Assets		
On Provisions	273,224	69,000
On excess of incometax return on value over net book value of fixed assets	341,645	-
On other disallowances	6,596,331	6,391,000
Net Deferred Tax Liability / (Asset) (B)	(7,211,200)	(6,360,000)
Deferred Tax Liabilities (Net) Total (A+B)	78,188,800	65,724,000

2.06.1 In the case of subsidiary company M/s Bamni Proteins Limited : In terms of the Accounting Standard on Accounting for Taxes on Income (AS-22), Defferred Tax Asset (Net) has been cocognised in the accounts to the extent available, in view of virtual / reasonable certainty of future taxable profits.

2.06.2 In the case of the subsidiary Company, M/s Reva Proteins Ltd: In terms of the Accounting Standard on Accounting for Taxes on Income (AS-22), Defferred Tax Asset (Net) has not been recognised in the accounts as a matter of prudence, in the absense of virtual / reasonable certainty of future taxable profits.

2.07 Long-term Provisions

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Provision for Employee Benefits [See Note 2.07.1]	27,936,956	38,746,055
	27,936,956	38,746,055

2.07.1 Disclosures required under Accounting Standard 15 - "Employee Benefits"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

a. Defined Contribution Plans

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

Particulars	Company Rupees	Subsidiaries Rupees
Employers contribution to Provident Fund	15,878,556 (13,781,016)	3,981,975 (3,727,144)
Employers contribution to Employee's State Insurance	297,637 (352,204)	22,616 -
Employers contribution to Superannuation fund	5,717,363 (3,702,432)	- -

b. Defined Benefit Plans - Gratuity: Funded / Unfunded Obligation

i. Actuarial Assumptions	Company Rupees	Subsidiaries Rupees
Discount Rate (per annum)	8.00% (8.00%)	7.80%-8% (7.80%-8%)
Expected return on plan assets	8.75% (8.75%)	8.00% -
Salary escalation rate*	5.00% (5.00%)	4.00%-5.00% (4.00%-5.00%)
Mortality rate	Indian Assured Lives Mortality (1994-96) Ultimate (LIC (2006-2008) Ultimate)	IALM (2004-2006) Ultimate/ IALM (1994-1996) Ultimate IALM (2004-2006) Ultimate) IALM (1994-1996) Ultimate)

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

ii. Reconciliation of present value of obligation	Company Rupees	Subsidiaries Rupees
Present value of obligation at the beginning of the year	50,387,798 (44,734,672)	14,289,619 (15,733,565)
Current Service Cost	3,563,555 (3,323,146)	770,503 (732,563)
Interest Cost	4,173,566 (3,537,594)	1,145,426 (1,249,862)
Actuarial (gain)/ loss	(1,336,342) ((178,122))	470,791 (370,899)
Benefits Paid	(3,759,919) ((1,029,492))	(2,205,509) ((3,055,472))
Present value of obligation at the end of the year	53,028,658 (50,387,798)	14,470,830 (14,289,619)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

iii. Reconciliation of fair value of plan assets	Company Rupees	Subsidiaries Rupees
Fair value of plan assets at the beginning of the year	51,680,106	-
	(41,709,598)	-
Expected return on plan assets	4,134,408	-
	(3,954,550)	-
Actuarial gain/ (loss)	(3,413,089)	-
	((954,450))	-
Contributions to the fund	5,420,213	12,960,231
	(8,000,000)	-
Contributions towards direct benefit payments	-	-
Benefits paid	(3,759,919)	-
	((1,029,492))	-
Benefits paid directly	-	-
	-	-
Fair value of plan assets at the end of the year	54,061,719	12,960,231
	(51,680,106)	-
iv. Description of Plan Assets	Company Rupees	Subsidiaries Rupees
Insurer Managed Funds	54,061,719	12,960,231
	(51,680,106)	-
v. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Company Rupees	Subsidiaries Rupees
Present value of obligation at the end of the year	53,028,658	14,470,830
	(50,387,798)	(14,289,619)
Fair value of plan assets at the end of the year	54,061,719	12,960,231
	(51,680,106)	-
Net present value of funded/ unfunded obligation recognized as (asset)/ liability in the Balance Sheet	(1,033,061)	1,510,599
	((1,292,308))	(14,289,619)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

vi. Expenses recognized in the Statement of Profit and Loss	Company Rupees	Subsidiaries Rupees
Current Service Cost	3,563,555	770,503
	(3,323,146)	(732,563)
Interest Cost	4,173,566	1,145,426
	(3,537,594)	(1,249,862)
Actuarial (gain)/ loss recognized in the period	2,076,747	470,791
	(776,427)	((370,899))
Past Service Cost (if applicable)	-	-
	-	-
Expected return on plan assets	(4,134,408)	-
	((3,954,550))	-
Total expenses recognized in the Statement of Profit and Loss for the year	5,679,460	2,386,720
	(3,682,617)	(1,611,526)
Actual return on plan assets	721,319	-
	(3,000,000)	-

The above disclosures are based on information furnished 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	Company Rupees	Subsidiaries Rupees
Discount Rate (per annum)	8.00%	7.8%-8.00%
	(8.00%)	(7.80% - 8.00%)
Salary escalation rate*	5.00%	4.00%-5.00%
	(5.00%)	(4.00%-5.00%)
Mortality rate	IALM (1994-1996) Ultimate	IALM (2006-2008) Ultimate/ IALM (1994-1996) Ultimate
	(LIC (2006-2008) Ultimate)	IALM (1994-1996) Ultimate)

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

ii. Reconciliation of present value of obligation	Company Rupees	Subsidiaries Rupees
Present value of obligation at the beginning of the year	25,700,091 (22,822,389)	3,442,902 (3,877,982)
Current Service Cost	9,446,187 (2,014,931)	1,263,531 (777,412)
Interest Cost	2,433,856 (1,598,607)	288,694 (319,496)
Actuarial (gain)/ loss	(8,746,803) (3,919,001)	(1,091,624) ((407,904))
Benefits Paid	(4,555,921) ((4,654,837))	(673,289) ((1,124,084))
Present value of obligation at the end of the year	24,277,410 (25,700,091)	3,230,214 (3,442,902)
iii. Net (Asset)/ Liability recognized in the Balance Sheet as at year end	Company Rupees	Subsidiaries Rupees
Present value of obligation at the end of the year	24,277,410 (25,700,091)	3,230,214 (3,442,902)
Fair value of plan assets at the end of the year	- -	- -
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	24,277,410 (25,700,091)	3,230,214 (3,442,902)
iv. Expenses recognized in the Statement of Profit and Loss	Company Rupees	Subsidiaries Rupees
Current Service Cost	9,446,187 (2,014,931)	1,263,531 (777,412)
Interest Cost	2,433,856 (1,598,607)	288,694 (319,496)
Actuarial (gain)/ loss recognized in the period	(8,746,803) (3,919,001)	(1,091,624) ((407,904))
Past Service Cost (if applicable)	- -	- -
Total expenses recognized in the Statement of Profit and Loss for the year	3,133,240 (7,532,539)	460,601 (689,004)

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.08 Short-term Borrowings

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Working Capital Loan from Banks (Secured)		
a) <i>In case of the Company</i>	370,056,555	398,040,676
Nitta Gelatin India Ltd [See Note 2.08.1]	24,362,349	-
b) <i>In case of the Subsidiary</i>		
Reva Protiens Ltd [See Note 2.08.2]		
	394,418,904	398,040,676

2.08.1 Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash & bank balances, other current assets and loans & advances, present & future and by way of pari passu charge on the fixed assets of the Company. The loans are repayable on demand except in the case of Buyers Credit amounting to Rs NIL (Rs 14,333,382) which is repayable within a period of 70 days to 90 days from the date of availment as per terms.

2.08.2 Security offered on the above loan is as under :

- a. Primary Security - first charge on the entire current assets of the company, both present and future.
- b. Collateral security - on the entire fixed assets of the company, both present and future
- c. Corporate Guarantee - of the Holding Company - M/s Nitta Gelatin India Limited.

2.09 Trade Payables

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
(i) Total outstanding dues of micro enterprises and small enterprises [See Note 2.09.1]	473,250	189,750
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	244,327,232	225,829,894
	244,800,482	226,019,644

2.09.1 The Group 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. Intimations have been received from some of the suppliers regarding their status under the said Act as at the year end, based on which, principal amount unpaid to such suppliers as at the year end aggregating to Rs.473,250 (Rs.1,89,750) has been included under Trade Payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.10 Other Current Liabilities

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Current maturity of Long term borrowings [See Note no. 2.05.1 to 2.05.5]	52,113,399	27,783,476
Unpaid Dividend	1,613,259	1,581,266
Interest Accrued and due on borrowings	1,564,281	197,706
Interest Accrued but not due on borrowings	676,163	395,066
Other Payables -		
- Statutory Dues	8,515,791	7,687,929
- Advance from Customers	13,105,325	254,625
- Creditors for Capital Goods	8,892,817	8,364,874
- Other Recoveries Payable	1,711,199	1,768,958
- Deposits	1,452,065	670,184
	89,644,299	48,704,084

2.11 Short-term Provisions

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Provision for employee benefits [See Note 2.07.1]	1,081,267	4,686,557
Others		
- Proposed Dividend	-	30,581,412
- Corporate Dividend Tax	-	6,225,763
- Water Cess [See Note 2.31.2(iii)]	6,183,200	6,183,200
- Entry Tax	1,100,494	-
- Sales Tax	2,874,385	2,874,385
- Excise Duty	13,229,289	11,050,417
- Income Tax (net)	57,889,971	45,871,753
	82,358,606	107,473,487

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR
ENDED 31st MARCH, 2016 (CONTD.)**

2.12 - FIXED ASSETS AND CAPITAL WORK IN PROGRESS

(Amount in Rupees)

Particulars	GROSS BLOCK (At cost)			DEPRECIATION/IMPAIRMENT				NET BLOCK	
	As at 01-04-2016	Additions	Disposals/ Adjustments	As at 31-03-2017	As at 01-04-2016	For the year	Disposal/ Adjustments	As at 31-03-2017 (See Note 2.12.2 below)	As at 31-03-2016
FIXED ASSETS:									
(A) Tangible Assets (Property, Plant & Equipment)									
Land and Development	46,996,926 (46,996,926)	-	-	46,996,926 (46,996,926)	-	-	-	46,996,926 (46,996,926)	46,996,926 (46,996,926)
Leasehold Land [Refer Note 2.12.1]	87,367,496 (87,367,496)	1,050,112	-	88,417,608 (87,367,496)	8,905,170 (7,996,548)	909,478 (908,622)	-	9,814,648 (78,462,326)	78,462,326 (79,370,948)
Buildings	510,818,831 (487,837,785)	25,061,655 (22,981,046)	3,088,528	532,791,958 (510,818,831)	281,799,519 (253,608,426)	25,322,422 (28,191,093)	862,855	306,259,086 (281,799,519)	229,019,312 (234,229,359)
Plant & Equipment [See Note 2.12.3]	2,061,671,870 (1,954,882,202)	104,093,776 (118,171,408)	46,094,161 (11,381,740)	2,119,671,485 (2,061,671,870)	1,230,794,152 (1,148,709,092)	105,112,855 (92,257,036)	28,869,247 (10,171,976)	1,307,037,760 (830,877,718)	812,633,725 (806,173,110)
Office Equipments	26,501,026 (24,370,993)	2,824,670 (3,633,462)	3,713,282 (1,503,429)	25,612,414 (26,501,026)	21,348,146 (20,300,567)	2,918,957 (2,486,096)	3,547,538 (1,438,517)	20,719,605 (21,348,146)	5,152,880 (4,070,426)
Furniture & Fixtures	11,475,620 (10,420,501)	556,099 (1,150,193)	131,209 (95,074)	11,900,510 (11,475,620)	9,229,875 (8,584,984)	836,058 (739,086)	126,612 (94,195)	9,939,321 (9,229,875)	2,245,745 (1,835,517)
Vehicles	10,689,233 (7,940,136)	4,085,838 (4,661,895)	6,006,982 (1,912,798)	8,768,089 (10,689,233)	6,023,833 (5,763,131)	1,426,054 (1,942,081)	4,623,510 (1,681,379)	2,826,377 (6,023,833)	4,665,400 (2,177,005)
Total Tangible Assets	2,755,521,002 (2,619,816,039)	137,672,150 (150,598,004)	59,034,162 (14,893,041)	2,834,158,990 (2,755,521,002)	1,558,100,695 (1,444,962,748)	136,525,864 (126,524,014)	38,029,762 (13,386,067)	1,656,596,797 (1,197,420,307)	1,197,420,307 (1,174,853,291)
Previous Year									
(B) Intangible Assets									
Software	16,985,674 (15,662,825)	2,759,194 (1,322,849)	23,596	19,721,272 (16,985,674)	14,458,949 (13,357,601)	1,527,891 (1,101,348)	22,417	15,964,423 (14,458,949)	2,526,725 (2,305,224)
Total Assets (A+B)	2,772,506,676 (2,635,478,864)	140,431,344 (151,920,853)	59,057,758 (14,893,041)	2,853,880,262 (2,772,506,676)	1,572,559,644 (1,458,320,349)	138,053,755 (127,625,362)	38,052,179 (13,386,067)	1,672,561,220 (1,572,559,644)	1,181,319,042 (1,199,947,032)
Previous Year									

(Amount in Rupees)

Particulars	GROSS BLOCK (At cost)				DEPRECIATION/IMPAIRMENT				NET BLOCK	
	As at 01-04-2016	Additions	Disposals/ Adjustments	As at 31-03-2017	As at 01-04-2016	For the year	Disposal/ Adjustments	As at 31-03-2017 (See Note 2.12.3 below)	As at 31-03-2016	
CAPITAL WORK IN PROGRESS:										
Improvements to Leasehold land	269,075	781,037	1,050,112	-				-	269,075	
	-	(269,075)	-	(269,075)				(269,075)	-	
Building under construction	4,090,576	16,436,573	12,908,819	7,618,330				7,618,330	4,090,576	
	(2,913,299)	(3,957,827)	(2,780,550)	(4,090,576)				(4,090,576)	(2,913,299)	
Plant, Machinery and Equipment	79,403,478	112,831,989	71,643,985	120,591,482				120,591,482	79,403,478	
under installation [See Note 2.12.3]	(85,126,240)	(52,918,291)	(58,641,053)	(79,403,478)				(79,403,478)	(85,126,240)	
Total	83,763,129	130,049,599	85,602,916	128,209,812				128,209,812	83,763,129	
Previous Year	(88,039,539)	(57,145,193)	(61,421,603)	(83,763,129)				(83,763,129)	(88,039,539)	
Intangible assets under development - Software	1,688,947	687,176	2,376,123	-				-	1,688,947	
	-	(1,688,947)	-	(1,688,947)				(1,688,947)	-	
Total	1,688,947	687,176	2,376,123	-				-	1,688,947	
Previous Year	-	(1,688,947)	-	(1,688,947)				(1,688,947)	-	

2.12.1 Includes Lease premium paid to M/s. Gujarat Industrial Development Corporation (GIDC) by Reva Proteins Ltd 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 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 metres 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. 7,350,020/-), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

2.12.2 In view of business plans of the subsidiary M/s.Reva Proteins Limited, 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.

2.12.3 Additions to Plant & Equipment include Research & Development assets of Rs. 1,608,211 (Rs.1,677,585) purchased during the year and transfer from Capital Work in progress of Rs.Nil (Rs. 33,091,003).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.13 Non-current Investments

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
<u>Investment in Equity Instruments (at Cost) - Long term Quoted (Non Trade):</u>		
a. 4,200 (4,200) Equity Shares of Rs.1/- each in State Bank of India, fully paid up	146,300	146,300
b. 100 (100) Equity Shares of Rs.10/- each in Industrial Finance Corporation of India Limited, fully paid up	3,500	3,500
Aggregate amount of quoted investments (A)		
Aggregate Market Value: Rs 1,107,797 (Rs. 818,520)	149,800	149,800
<u>Unquoted (Trade):</u>		
a. In Associate companies [See Note 1(a)]		
i. 288,000 (288,000) fully paid up Equity Shares of Rs.10/- each in K.K Organics (P) Limited.	-	2,880,000
<i>Less: Provision for diminution in value of investments</i>	-	(2,880,000)
b. Others:		
<u>In Case of the Company</u>		
i. 60,000 (60,000) fully paid up Equity Shares of Rs.10/- each in Kerala Enviro Infrastructure Limited	600,000	600,000
ii. 50,000 (50,000) fully paid up Equity Shares of Rs.10/- each in Cochin Waste 2 Energy Private Limited	500,000	500,000
<i>Less: Provision for diminution in value of investments</i>	(500,000)	(500,000)
iii. 300,000 (300,000) fully paid up Equity Shares of Rs. 10/- each in Seafood Park (India) Limited	3,150,000	3,150,000
<u>In Case of the Subsidiary</u>		
iv. 414,000 (354,000) fully paid up equity shares of Rs.10/- each in Narmada Clean tech limited	4,140,000	3,540,000
Aggregate amount of unquoted investments (B)	7,890,000	7,290,000
Aggregate provision for diminution in value of investments Rs. 500,000 (Rs. 3,380,000)		
Total Investments (A + B)	8,039,800	7,439,800

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.14 Long-term Loans and Advances

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Unsecured (Considered Good)		
Capital Advance	18,756,083	9,652,370
Advance Tax (net) including tax deducted at source	3,626,178	7,838,415
Others		
- Loan to employees	408,242	618,418
- Deposits	31,392,854	31,490,673
Unsecured (Considered Doubtful)		
Sales Tax Deposit	-	1,100,494
Less: Provision for doubtful deposits	-	1,100,494
	-	-
	54,183,357	49,599,876

2.15 Other Non-Current Assets

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Unsecured (Considered Good)		
Balance with banks in deposit accounts (held under lien towards bank guarantee) [See Note 2.15.1]	1,084,995	-
	1,084,995	-

2.15.1 Balance with banks in Deposit Accounts represent Rs Nil (Rs Nil) held as security against Bank Guarantee.

2.16 Inventories

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Raw Materials	246,388,131	143,576,734
<i>Raw Materials in transit</i>	19,615,776	-
Work-in-process	233,100,731	241,351,097
Finished Goods	105,807,183	160,514,563
Stores & Spares	126,313,773	62,061,613
Loose Tools	319,157	313,461
Others - Packing Materials	7,038,995	6,711,698
	738,583,746	614,529,166

2.16.1 Method of Valuation of Inventories - Refer 1(j) of Significant Accounting Policies.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.17 Trade Receivables

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, Considered Good	789,304	578,059
Unsecured, Considered Doubtful	3,214,853	3,602,320
	4,004,157	4,180,379
Less: Provision for Doubtful Debts	3,214,853	3,602,320
	789,304	578,059
Others (Unsecured, Considered Good)	282,725,166	203,365,695
	283,514,470	203,943,754

2.18 Cash and Cash Equivalents

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Balance with Banks		
In Current Accounts (See Note 2.18.1)	37,810,741	10,880,413
In Deposit Accounts (See Note 2.18.2 & 2.18.3)	113,913,301	259,607,435
Cash on hand	527,766	975,856
	152,251,808	271,463,704

2.18.1 Balance with banks in Current Accounts include earmarked balances for unpaid dividend of Rs. 16,13,259 (Rs. 15,81,266) and debit balances in overdraft account amounting to Rs.1,83,922 (Rs. 9,72,987)

2.18.2 Balance with banks in Deposit Accounts include Rs.91,86,963 (Rs. 52,39,761) with a maturity period of less than 12 months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit and Rs. 5,82,98,318 (Rs 18,23,49,512) being other short term deposits with a maturity period of less than 12 months

2.18.3 Balance with banks in Deposit Accounts include Rs. 12,11,432 (Rs. 5,57,137) with a maturity period beyond 12 months, which are held as security against Letter of Credits/ Guarantee

2.18.4 Specified Bank Notes (SBN) held and transacted during the period 08th November 2016 to 30th December 2016 by the group:

Particulars	SBN	Other Denomina- tion notes	Total
Closing Cash in hand as on 08.11.2016	694,500	302,881	997,381
(+) Permitted receipts	-	3,226,505	3,226,505
(-) Permitted Payments	-	2,904,943	2,904,943
(-) Amount deposited in banks	694,500	147	694,647
Closing cash in hand as on 30.12.2016	-	624,296	624,296

Note: The above disclosure do not include direct remittances made by customers into the bank account of the company Rs. 194,556 (SBN Rs. 59,000 and other denomination notes Rs. 135,556).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.19 Short-term Loans and Advances

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
(Unsecured, Considered Good)		
Others:		
- Advances recoverable in cash or in kind or for value to be received.	36,896,825	41,934,520
- Loan to employees	222,711	307,387
- Deposits	739,325	775,252
- Balances with Central Excise, Customs etc.	10,158,155	5,110,245
	48,017,016	48,127,404

2.20 Other Current Assets

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
Interest Receivable	1,430,215	1,704,789
Assets held for sale [See Note 2.20.1]	12,271,364	12,271,364
Export Incentive: [See Note 2.20.2]	65,443,792	55,610,805
Less: Provision for disputed claims	(17,776,195)	(17,776,195)
	47,667,597	37,834,610
Forward contract receivable (Marked to Market Gain)	54,210,115	24,234,055
Others	9,746,394	6,834,084
Total	125,325,685	82,878,902

2.20.1 Assets held for disposal represents cost of plant and machinery proposed to be sold by the company. Steps are being taken to dispose the said assets at the earliest and hence continued to be classified as current assets.

2.20.2 Export incentives receivable includes:

- a) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to Rs 6,461,789 (Rs 6,461,789) has been decided against the company by the division bench of the Hon High Court of Kerala during the year. The company has sought further appeal before Hon Supreme Court and although the company is hopeful of favourable order, provision has been created in respect of such disputed claims in the books of account as a matter of abundant caution.
- b) Claims amounting to Rs 20,818,015 (Rs 20,818,015) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to Rs 4,151,031 (Rs 4,151,031) The Dy. Director General of Foreign Trade vide letter dt 03.10.2011 had informed the company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. Though the management is of the opinion that these claims are fully recoverable, provision has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of abundant caution.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.21 Revenue from operations

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
<u>Sale of Products</u>		
Gross Sales	3,521,541,681	3,609,374,263
<u>Other Operating Revenues</u>		
Miscellaneous Sales	14,477,912	32,947,566
Export Incentive [See Note 2.20.2]	26,724,672	36,936,075
Other Miscellaneous Income	36,009,026	29,224,177
	77,211,610	99,107,818
	3,598,753,291	3,708,482,081
Less: Excise Duty collected on domestic sales	116,459,207	122,866,975
	3,482,294,084	3,585,615,106

2.22 Other Income

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Interest Income	8,719,025	9,780,487
Dividend Income from Non Current Investments	10,920	27,300
Foreign Exchange Rate Variation (net)	40,635,128	13,129,724
Net gain on sale of investments	-	240,000
Other non operating Income	370,631	150,000
	49,735,704	23,327,511

2.23 Cost of materials consumed

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Opening Stock	143,576,734	100,392,588
Add: Purchases	1,945,010,723	2,043,782,117
	2,088,587,457	2,144,174,705
Less: Closing Stock	266,003,907	143,576,734
	1,822,583,550	2,000,597,971

2.24 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
<u>Closing Stock</u>		
Finished Goods	105,807,183	160,514,563
Work-in-process	233,100,731	241,351,097
	338,907,914	401,865,660

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Less:		
Opening Stock		
Finished Goods	160,514,563	119,831,319
Work-in-process	241,351,097	255,430,869
	401,865,660	375,262,188
	(62,957,746)	26,603,472

2.25 Employee benefits expense

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Salaries and Wages	261,703,242	255,861,855
Contribution to Provident and Other Funds	31,741,188	25,218,704
Workmen and Staff Welfare Expenses	37,153,970	32,730,697
	330,598,400	313,811,256

2.26 Finance costs

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Interest Expense	53,625,287	70,235,982
	53,625,287	70,235,982

2.27 Other Expenses

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Consumption of Stores, Spares & Consumables	59,393,704	59,256,959
Packing materials Consumed	29,743,130	34,711,448
Research & Development Expenditure [See Note 2.27.1]	7,763,819	7,545,358
Power, Fuel, Water & Gas	391,555,764	406,374,786
Repairs		
- Building	19,005,677	17,335,093
- Plant & Machinery	77,033,863	92,303,553
- Others	37,216,501	34,210,984
Loading, Transportation and Other charges on Products	77,119,495	55,235,549
Freight on Exports	14,535,026	15,546,133
Insurance	8,074,575	7,926,072
Rent	3,438,356	2,107,758
Rates & Taxes	12,645,232	17,519,496

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Postage & Telephone	5,155,088	4,736,123
Printing & Stationery	2,542,025	2,014,517
Travelling & Conveyance	30,984,370	34,030,958
Director's sitting fee	855,926	750,000
Payments to the Auditor [See Note 2.27.2]	2,368,716	2,177,782
Advertisement & Publicity	2,338,702	2,502,542
Discount & Commission on Sales	11,091,568	18,007,743
Professional & Consultancy charges	29,034,643	32,812,478
Bank Charges	6,355,325	5,495,746
Miscellaneous Expenses	68,185,117	87,113,054
Expenses on Corporate Social Responsibility activities [See Note 2.27.3]	2,142,276	1,947,550
Loss on Assets sold/written off (Net)	15,303,285	186,051
	913,882,183	941,847,733

2.27.1 Details of Research & Development Expenditure

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Revenue Expenditure		
Salary & Allowances	2,610,893	3,986,172
Other Expenses (Net of recoveries)	5,152,926	3,559,186
	7,763,819	7,545,358

2.27.2 Details of payments to the Auditor

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
a. Statutory Audit Fees	1,200,000	1,057,500
b. Other Services		
Taxation Matters (Including Tax Audit)	613,888	596,925
Others	499,044	474,377
Reimbursement of Expenses	55,784	48,980
	2,368,716	2,177,782

2.27.3 Details of expenses on Corporate Social Responsibility activities

a. Gross amount required to be spent by the company during the year Rs.1,943,202 (Rs.1,923,004).

b. Amount spent during the year on:

- | | |
|--|-----------------------------|
| i. Construction/acquisition of any asset | Rs. Nil (Nil) |
| ii. On purposes other than (i) above | Rs.2,142,276 (Rs 1,947,550) |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.28 Earnings per equity share - Basic & Diluted

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Net Profit /(Loss) after taxation (Rupees)	122,697,644	107,302,802
Less : Preference Dividend and tax thereon	-	9,488,437
Net profit available for Equity shareholders	122,697,644	97,814,365
Weighted average number of Equity Shares of Rs. 10/- each (fully paid-up) - Diluted	9,079,160	9,079,160
Earnings per share - Basic and Diluted	13.51	10.77

2.29 Disclosure of transactions with Related Parties as required by Accounting Standard - 18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A. Related parties and nature of relationship

i. Enterprise having substantial interest in the Company and its Subsidiaries

- | | | | |
|----|-------------------------------------|---|---|
| a. | Nitta Gelatin Inc. | - | Enterprise having substantial interest in the Company |
| b. | Nitta Gelatin NA Inc. | - | Subsidiary of Nitta Gelatin Inc. |
| c. | Nitta Gelatin Canada Inc. | - | Subsidiary of Nitta Gelatin Inc. |
| d. | K.T Chandy Seiichi Nitta Foundation | - | Trust controlled by the company |

ii. Associate Company

- | | | | |
|----|------------------------------|---|----------------------------------|
| a. | K K Organics Private Limited | - | Associate Company of the Company |
|----|------------------------------|---|----------------------------------|

iii. Key Managerial Personnel

1. In case of the Company

- | | | | |
|----|--------------------|---|--|
| a. | Mr. Sajiv K. Menon | - | Managing Director
Nitta Gelatin India Limited (Holding Company)
(from 01.04.2014) |
| b. | Mr Takeo Yamaki | - | Whole Time Director
Nitta Gelatin India Limited (Holding Company) (w.e.f. 11.07.2014) |

2. In case of Subsidiaries

- | | | | |
|----|--------------------|---|--|
| a. | Mr. M. A. Xavier | - | Managing Director- Bamni Proteins Limited
(from 01.04.2015) |
| b. | Mr. T. P. Philip | - | Managing Director - Reva Proteins Limited
(upto 31.12.2016) |
| c. | Mr. Noriyuki Tsuji | - | Whole Time Director - Reva Proteins Limited
(upto 31.12.2016)
Managing Director - Reva Proteins Limited
(from 01.01.2017) |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

B. Description of Transactions

Nature of Transaction		Associate Company/ Trust controlled by the company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
<u>Sale and Income</u>					
1	Sale of Goods: <i>Nitta Gelatin Inc.</i>		1,074,951,284		1,074,951,284
			(1,146,446,715)		(1,146,446,715)
	<i>Nitta Gelatin NA Inc.</i>		562,850,864		562,850,864
			(536,573,926)		(536,573,926)
2	Commission on sales <i>Nitta Gelatin Inc.</i>		1,494,645		1,494,645
			(1,610,325)		(1,610,325)
	<i>Nitta Gelatin Canada</i>		-		-
			(9,076)		(9,076)
3	<i>GSP duty refund received on exports to related party refunded by them - Nitta Gelatin NA Inc</i>		1,616,052		1,616,052
			(24,856,306)		(24,856,306)
4	<i>Rebate expense no longer payable written back</i> <i>Nitta Gelatin Inc</i>		-		-
			(5,959,288)		(5,959,288)
	<i>Nitta Gelatin NA Inc.</i>		-		-
			(1,715,386)		(1,715,386)
5	<i>Capsule consulting fee no longer payable written back</i> <i>Nitta Gelatin Inc</i>		-		-
			(2,174,955)		(2,174,955)
<u>Purchase and Expenses</u>					
1	Purchase of stock in trade: <i>Nitta Gelatin Inc.</i>		-		-
			(378,256)		(378,256)
2	Commission expense: <i>Nitta Gelatin Inc.</i>				
	- For Sale of Gelatin		1,042,796		1,042,796
			(296,745)		(296,745)
	- For Sale of Peptide		451,849		451,849
			(523,971)		(523,971)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

Nature of Transaction	Associate Company/ Trust controlled by the company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
3 Commission income of earlier year written off				
<i>Nitta Gelatin Inc</i>		-		-
- For Sale of Gelatin		(3,239,000)		(3,239,000)
4 Rebate/ Discount expense:				
<i>Nitta Gelatin Inc</i>		3,820,724 (7,512,698)		3,820,724 (7,512,698)
Nitta Gelatin NA Inc		872,090 (1,072,048)		872,090 (1,072,048)
5 Technical Assistance Fee:				
<i>Nitta Gelatin Inc.</i>		1,802,911 (1,876,612)		1,802,911 (1,876,612)
6. Interest expense paid to Nitta Gelatin Inc. on External Commercial Borrowings				
Nitta Gelatin India Ltd		3,971,017 (83,793)		3,971,017 (83,793)
Reva Proteins Ltd		5,517,674 (2,305,812)		5,517,674 (2,305,812)
7 Reimbursement of Expenses (Net):				
<i>Nitta Gelatin Inc.</i>		482,640 (1,042,594)		482,640 (1,042,594)
8 Donations / Corporate Social Responsibility contribution [See Note 2.27.3]				
<i>K.T Chandy Seiichi Nitta Foundation</i>	1,014,886 (858,550)			1,014,886 (858,550)
9 Remuneration to Key Managerial Personnel In the case of Company				
a Managing Director			13,159,438 (12,051,094)	13,159,438 (12,051,094)
b Whole Time director			3,404,655 (2,522,767)	3,404,655 (2,522,767)
In the case of Subsidiaries				
c Managing Director - <i>Bamni Proteins Limited</i>			2,627,672 (2,501,300)	2,627,672 (2,501,300)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

Nature of Transaction	Associate Company/ Trust controlled by the company	Enterprise having substantial interest in the Company and its Subsidiaries	Key Management Personnel	Total
<i>Reva Proteins Limited</i>			2,362,443	2,362,443
d. Whole time director - Reva Proteins Limited (Includes an amount of Rs. Nil (Rs. 163,866) paid to the director in the previous year as Executive Vice President (Technical) for a period)			(1,711,547)	(1,711,547)
			1,204,803	1,204,803
			(1,988,119)	(1,988,119)
<u>Loans taken from Nitta Gelatin Inc.</u>				
<i>In the case of the Company</i>		-		-
		(65,000,000)		(65,000,000)
<i>In the case of the Subsidiary</i>				
<i>Reva Proteins Limited</i>		-		-
		(90,000,000)		(90,000,000)
Dividend Paid Equity Shares				
<i>Nitta Gelatin Inc.</i>		9,750,750		9,750,750
		(3,900,300)		(3,900,300)
Dividend on Preference shares (proposed)				
<i>Nitta Gelatin Inc.</i>		-		-
		(7,883,512)		(7,883,512)
Balance as on 31.03.2017				
<i>Investments</i>				
1 <i>KK Organics Private Limited*</i>	-			-
<i>[See Note 1(a)]</i>				
<i>* Provision created for loss in investments Rs. Nil (Rs. 2,880,000)]</i>	(2,880,000)			(2,880,000)
Receivables				
1 <i>Nitta Gelatin Inc.</i>		28,409,290		28,409,290
		(33,717,206)		(33,717,206)
2 <i>Nitta Gelatin NA Inc.</i>		11,270,364		11,270,364
		(22,524,247)		(22,524,247)
Payables				
1 <i>Nitta Gelatin Inc.</i>				
<i>-Term loan (Nitta Gelatin India Ltd.)</i>		65,000,000		65,000,000
		(65,000,000)		(65,000,000)
<i>-Term loan (Reva Proteins Ltd.)</i>		90,000,000		90,000,000
		(90,000,000)		(90,000,000)
<i>-Trade Advance from customers</i>				
<i>- Reva Proteins Ltd.</i>		11,403,408		11,403,408
		-		-
<i>Other payables - Company</i>		8,439,297		8,439,297
		(10,340,167)		(10,340,167)
2 <i>Nitta Gelatin NA Inc</i>				
<i>-Other payables</i>		457,034		457,034
		(472,732)		(472,732)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.30 Segment Information

In respect of the Company:

The company is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment. However, based on geographical factors, reportable geographic segments have been identified as export sales and domestic sales.

In respect of the Subsidiary-Reva Proteins Ltd:

The company is engaged in the business of manufacture and sale of Ossein, Limed Ossein and DCP which form broadly part of one product group and hence constitute a single business segment. However, based on geographical factors, reportable geographic segments have been identified as export sales and domestic sales. In respect of the previous financial year, there is only one reportable geographical segment.

In respect of the Subsidiary-Bamni Proteins Ltd:

The company is engaged in the business of manufacture/job conversion of Ossein and hence constitute a single business segment

The segment wise information pertaining to the reportable geographical segments as above is as follows:

Particulars	Export Rupees	Domestic Rupees	Consolidated Rupees
Segment Revenue (External Sales)	1,815,479,088 (1,792,169,705)	1,589,603,386 (1,694,337,583)	3,405,082,474 (3,486,507,288)
Segment Result	414,364,857 (389,883,027)	115,030,529 (156,295,624)	529,395,386 (546,178,651)
Unallocated Expenditure (Net)			265,441,232 (294,514,884)
Interest Expense			53,625,287 (70,235,982)
Profit / (Loss) before Taxation			210,328,867 (181,427,785)

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 segments.

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

2.31.1 Provisions

Nature of Provision	Balance as at 01.04.2016	Additional Provision during the year	Amounts used/ changed during the year	Unused amounts reversed	Balance as at 31.03.2017
Provision for Central Excise Duty. [See Note 2.31.1(i)]	11,050,417 (10,393,020)	2,178,872 (657,397)	-	-	13,229,289 (11,050,417)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

Provision for Central Sales Tax [See Note 2.31.1(ii)]	2,874,385	-	-	-	2,874,385
	-	(2,874,385)	-	-	(2,874,385)
Provision for Water Cess	6,183,200	-	-	-	6,183,200
	(6,183,200)	-	-	-	(6,183,200)
Provision for Entry Tax	-	1,100,494	-	-	1,100,494
	-	-	-	-	-

2.31.1(i). Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to Rs. 35,074,543 (Rs. 35,074,543) which has been disputed by the company. Though no demand has been raised by the department, based on legal advice received, the company has created a provision of Rs. 13,229,289 (Rs 11,050,417) as a matter of abundant caution and the balance amount of Rs. 21,845,254 (Rs 24,024,126) has been disclosed as a contingent liability.

2.31.1 (ii). The Central Sales Tax authorities had raised demand on assessment for an earlier year amounting to Rs 2,874,385 (Rs 2,874,385) which has been disputed in appeal. Though the management is of the opinion that these demands are not fully sustainable, provision has been created in the accounts for the aforesaid amount as a matter of abundant caution.

2.31.1 (iii). The Sales Tax authorities had raised demand for entry tax on furnace oil for an amount of Rs. 2,200,998 in an earlier year and was under appeal. Against the demand an amount of Rs 1,100,494 was deposited under protest and later a provision of equivalent amount was created for the doubtful deposit. During the year, the Supreme Court Tax has held that levy of furnace oil is valid constitutionally and the company has made additional provision of Rs. 1,100,494, being the balance as per the demand as a matter of abundant caution.

2.31.2 Contingent Liabilities not provided for:

Particulars	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
1. Claims against the Company not acknowledged as debts:		
a. Income Tax [See Note 2.31.2(i)]	27,798,822	34,783,675
b. Value Added Tax/ Central Sales Tax [See Note 2.31.2(ii)]	34,888,363	43,745,239
c. Excise Duty [See Note 2.31.1(i) and 2.31.2.(iii)]	29,269,900	29,238,581
d. Water Cess [See Note 2.31.2(iv)]	65,301,200	65,301,200
2. Foreign Bills Discounted	242,527,831	169,247,046
3. Domestic Bills Discounted	-	10,417,520
4. Counter Guarantee issued in favour of bankers	11,640,610	6,261,540
Total	411,426,726	458,994,801

2.31.2(i) The Income Tax department has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the first appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

2.31.2(ii) The Value Added tax / CST authorities had raised demands on assessment for some earlier years amounting to Rs. 34,888,363 (Rs. 43,745,239) (net of bank guarantees amounting to Rs. 4,879,070 (Nil), included in 2.31.2(4) above), which had been disputed by the Company on appeal. Based on legal advice, no provision is considered necessary towards the said demands and the amount involved is disclosed as contingent liability.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.31.2(iii) Includes demands raised by the Central Excise Authorities (including interest, as computed and penalty) for higher excise duties on a product of the company and towards cenvat credits availed aggregating to Rs. 6,729,274 (Rs 3,480,352) which have been disputed by the company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed aggregating to Rs. 695,372 (Rs 1,734,103), which have been represented before adjudicating authorities. In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

2.31.2(iv) During an earlier year, an amount of Rs 71,484,000 was demanded as water cess for extraction of river water for industrial use during the period from 01.04.1979 to 31.12.2010, in accordance with a Government Order issued on 25.07.2009. The company had been legally advised that the demands may not be fully sustainable in law and had filed a writ petition before the Honourable High Court of Kerala against the proceedings, which is pending.

The company had also made a representation to the Secretary (Water Resources), Government of Kerala which is pending consideration of the Government. Pursuant to discussions with Government authorities, the company had entered into an agreement for payment of such charges for the periods subsequent to 01.01.2011. Further, a provision of Rs 6,183,200 towards disputed charges for the period from 25.07.2009 to 31.12.2010, being periods subsequent to issue of the Government Order, was made in the accounts in the previous year as a matter of abundant caution.

In the opinion of the management, having regard to the legal advice, no provision is considered necessary for charges for periods from 01.04.1979 to 24.07.2009 amounting to Rs 65,301,200, being periods prior to the issue of the G.O. which has been disclosed as contingent liability.

2.31.3 The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the company. As per legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the notice is pending adjudication, in view of which there is no contingent liability.

2.32 Estimated amount of contracts remaining to be executed on capital account:

- a. Company - Rs. 26,007,513 (Rs. 49,233,558)
- b. Bamni Proteins Limited (Subsidiary) - Rs. 132,683 (Rs. Nil)
- c. Reva Proteins Limited (Subsidiary) - Rs 16,572,384 (Rs 13,241,504)

2.33 a. In respect of Capital Goods imported at concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately Rs. 1,690,000 (Rs. 1,730,000) which is required to be fulfilled at different dates until 2021. In the event of non fulfillment of the export obligation, the Company will be liable for the Customs duties and penalties as applicable.

b. In respect of Raw materials imported at concessional rate of duty under the Advance Authorisation Scheme, the Company has an export obligation of approximately Rs. 190,500,000 (Rs. 251,710,000) which was originally required to be fulfilled at different dates until 2016. the Company has applied to the Directorate General of Foreign Trade for extension of Export obligation period as per provision, which is however pending at this stage. In the event of non fulfillment of export obligation / non extension of period, the Company may be liable for the Customs duties and penalties as applicable.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

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

2.35 As a part of company's (Nitta Gelatin India Ltd.) risk management policy, the exchange risks arising from foreign currency fluctuations are partly hedged by forward contracts, designated as cash flow hedges.

2.35.1 The following are the hedging instruments designated as cash flow hedges entered by the company and outstanding as at Balance Sheet date, determined to be effective hedges:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Foreign Currency	Fair Value (Rupees)	Foreign Currency	Fair Value Rupees
Export				
a) Forward contracts (USD)	12,000,000	790,096,250	16,300,000	1,107,916,338
b) Foreign currency packing credit and buyers credit:				
USD	5,660,712	369,644,503	5,827,547	389,105,323
EURO	-	-	79,503	6,024,734

2.35.2(i) Hedged foreign currency exposures as at Balance Sheet date

Particulars	As at 31.03.2017		As at 31.03.2016	
	\$	Rupees	\$	Rupees
Receivables	-	-	-	-

2.35.2 (ii) Un hedged foreign currency exposures as at Balance Sheet date

Particulars	As at 31.03.2017		As at 31.03.2016	
	Foreign Currency	Rupees	Foreign Currency	Rupees
<u>Receivables</u>				
USD	809,864	52,155,267	1,011,197	66,607,550
EURO	173,000	11,838,390	172,000	12,745,200
<u>Payables</u>				
USD	176,660	11,535,903	202,958	13,551,535
EURO	6,050	423,681	16,958	1,287,351
Japanese YEN	2,741,730	1,620,467	2,741,730	1,605,543

In the case of the Subsidiaries, foreign exchange risk, if any are not being hedged by any derivative instrument and accordingly there are no disclosures in this regard.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

Additional Information:

2.36 Turnover and Opening and Closing stock

Particulars	Sales Rupees	Closing Inventory Rupees		Opening Inventory Rupees	
		Finished Goods	Work in progress	Finished Goods	Work in progress
Ossein	647,956,947	50,324,391	59,110,194	81,109,903	-
	(656,605,923)	(81,109,903)	-	(46,648,719)	-
Dicalcium Phosphate	558,045,177	5,032,092	-	3,706,576	-
	(577,848,522)	(3,706,576)	-	(3,597,297)	-
Gelatin	1,964,977,217	11,507,137	157,792,442	30,579,465	218,076,316
	(1,912,164,523)	(30,579,465)	(218,076,316)	(22,100,602)	(234,421,184)
Collagen Peptide	168,375,822	17,105,721	-	28,299,882	-
	(194,374,247)	(28,299,882)	-	(40,363,284)	-
Others	65,727,311	21,837,842	16,198,095	16,818,737	23,274,781
	(145,514,073)	(16,818,737)	(23,274,781)	(7,121,417)	(21,009,685)
	3,405,082,474	105,807,183	233,100,731	160,514,563	241,351,097
	(3,486,507,288)	(160,514,563)	(241,351,097)	(119,831,319)	(255,430,869)

2.37 Particulars of raw materials consumed during the year

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	Value (Rupees)	Value (Rupees)
Crushed Bone	1,450,581,660	1,614,010,819
Others	372,001,890	386,587,152
	1,822,583,550	2,000,597,971

2.38 Breakup of Consumption

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw Materials				
Imported	3.23	58,841,312	2.98	59,545,467
Indigenous	96.77	1,763,742,238	97.02	1,941,052,504
Total	100.00	1,822,583,550	100.00	2,000,597,971
Stores & Spares *				
Imported	4.34	5,615,532	5.97	6,812,292
Indigenous	95.66	123,837,700	94.03	107,377,260
Total	100.00	129,453,232	100.00	114,189,552
*Debited under Stores & Spares Consumed		59,393,704		59,256,959
*Debited under Repairs & Maintenance		70,059,528		54,932,593
		129,453,232		114,189,552

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.39 1. CIF Value of Imports

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Raw Materials	63,756,834	29,775,394
Packing Materials	2,490,158	1,579,387
Components, Stores and Spares	10,772,925	4,721,399
Capital Goods	15,557,360	10,758,820
	92,577,277	46,835,000

2. Expenditure in foreign currency on account of :

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Professional, Consultation fee and Interest	38,447,235	21,470,921
Other Matters (including travel)	15,866,688	8,943,360
	54,313,923	30,414,281

3. Remittance in foreign currencies on account of dividend (including remittance to NRE Account) by the Company

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Equity dividend	Preference dividend	Equity dividend	Preference dividend
i. No. of non-resident shareholders to whom dividend was remitted	1	1	1	-
ii. No. of shares held by them	3,900,300	929,412	3,900,300	-
iii. Year to which the dividend related	2015-16	2015-16	2014-15	-
iv. Amount remitted (Rupees)	9,750,750	7,883,512	3,900,300	-

4. Earnings in Foreign Exchange

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
Export of goods calculated on FOB basis	1,800,944,062	1,776,316,342
Commission	-	1,610,325
GSP Duty refund received	1,616,052	24,856,306
	1,802,560,114	1,802,782,973

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017 (CONTD.)

2.40 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the Entity	For the year ended 31.03.2017 Net Assets ie, Total Assets - Total Liabilities		For the year ended 31.03.2016 Net Assets ie, Total Assets - Total Liabilities	
	As a % of consolidated net assets	Amount - Rs	As a % of consolidated net assets	Amount - Rs
Parent company	85.45%	1,275,022,033	78.50%	1,051,667,240
Subsidiaries:				
a) Bamni Proteins Limited	3.10%	46,248,711	3.03%	40,554,634
b) Reva Proteins Limited	10.17%	151,742,898	15.66%	209,820,431
Minority interests in all subsidiaries	1.28%	19,037,612	2.81%	37,644,059
Total	100.00%	1,492,051,254	100.00%	1,339,686,364

Name of the Entity	For the year ended 31.03.2017 Share in Profit or (Loss)		For the year ended 31.03.2016 Share in Profit or (Loss)	
	As a % of consolidated Profit or (Loss)	Amount - Rs	As a % of consolidated Profit or (Loss)	Amount - Rs
Parent company	168.20%	175,081,100	194.88%	166,864,226
Subsidiaries:				
a) Bamni Proteins Limited	5.47%	5,694,076	12.38%	10,602,781
b) Reva Proteins Limited	-55.79%	(58,077,532)	-81.94%	(70,164,206)
Minority interests in all subsidiaries	-17.88%	(18,606,447)	-25.32%	(21,680,754)
Total	100.00%	104,091,197	100.00%	85,622,047

2.40.1 As stated in Note 1(a) the financial information of the Associate company K.K Organics Private Limited has not been considered for consolidation purpose, for the reasons stated therein.

2.40.2 The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions

2.41 Figures have been rounded off to the nearest rupee. Previous years figures, unless otherwise stated are given within brackets and have 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 VARMA & VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi
Date: 09.05.2017

For and on behalf of the Board of Directors

PAUL ANTONY IAS
Chairman
DIN : 02239492

RAYMOND MERZ
Director
DIN : 07498918

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

SAJIV K. MENON
Managing Director
DIN : 00168228

DR. M. BEENA IAS
Director
DIN : 03483417

SAHASRANAMAN P.
Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

K. L. KUMAR
Director
DIN : 00004804

G. RAJESH KURUP
Company Secretary

[illegible]

[illegible]

DI



Nitta Gelatin India Limited

CALCIUM

PH  SPHATE

An essential
ingredient in
poultry feed



Specifications

Moisture, percent by weight	5% maximum
Phosphorous (as P), percent by weight	17% minimum
Calcium (as Ca), percent by weight	22.5% minimum
Fluorine (as F), percent by weight	0.2% maximum
Acid insolubles, percent by weight	1.0% maximum
Particle size, percent by weight	96% through 100 mesh B.S. sieve
Colour	Near white
Packing	50 kgs. net poly propylene bags with inside LDPE loose liners

Features

- Low fluorine level.
- High temperature drying and by maintaining acidic pH during processing, the product quality and safety is ensured for use as a poultry feed supplement.
- Fully automated processing totally eliminates impurities and possibility of microbial contamination.
- Fine, free-flowing, powdery from facilities handling and ensures easy and quick dispersion of micro nutrients.
- Low moisture content and absence of fat and protein ensures excellent shelf life for the product.

Daily dose of 2 spoons Keeps Knee Pain away !

Bioactive
Collagen Peptides
+ Vitamin C

Available in Orange & Vanilla flavours



The 3-month* wonder ROUTINE with CollagenPep.

GELIXER®
CollagenPep™
For Healthy Joints



- CollagenPep contains Collagen - A proven supplement for joint pain the world over
- CollagenPep helps rebuild cartilage, helps reduce knee & joint pain and improves mobility
- CollagenPep is clinically tested
- Collagen Pep is safe for people with diabetes or high cholesterol

*For best results, take CollagenPep daily for 3 months @ 2 jars per month
This is based on Independent studies. Product's result may vary from person to person

Brought to you by  **Nitta Gelatin India Limited**

(Promoted by KSIDC - A Kerala Govt. Undertaking and Nitta Gelatin Inc., JAPAN)

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**ANNEXURE**

The financial details and capital evolution of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

B. Transferor Company

Name of the Company: *Reva Proteins Limited*

	Financial details as on	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	December, 2017	2016-17	2015-16	2014-15
Equity Paid up Capital	188605200	188605200	188605200	188605200
Reserves and surplus	-198120360	-152735085	-74830951	19286023
Carry forward losses		-	-	-
Net Worth	-9515160	35870115	113774249	207891223
Miscellaneous Expenditure	-	-	-	-
Secured Loans	138810105	152357515		131245832
Unsecured Loans	83018809	-		
Fixed Assets	359316692	376450428	375277727	368688229
Income from Operations	193663114	329283879	65020090	77266500
Total Income	195222152	334465943	67940841	77908269
Total Expenditure	305493810	412370077	162057815	148770853
Profit before Tax *	-110271658	-77904134	-94116974	-81392448
Profit after Tax	-110271658	-77904134	-94116974	-81392448
Cash profit	91709429	-52169482	-68459214	-52312207
EPS	-5.85	-4.13	-4.99	-4.32
Book value	10.00	10.00	10.00	10.00

Note: Financials as on 31/12/2017 are based on IND AS and previous years figures are based previous Indian Gaap.

Note: The financials should not be more than 6 months old. In such cases additional column may be added to provide the latest financials.





Reva Proteins Limited

8th Annual Report
2016 - 2017

(241-292)



Annual Report 2016 - 17

BOARD OF DIRECTORS

Chairman : SAJIV K. MENON

Directors : K. L. KUMAR
: VIJAYAN MENON
: M. T. BINIL KUMAR
: B. SHAJI MOHAN
: P. SAHASRANAMAN

Managing Director : N. TSUJI

Secretary : G. Rajesh Kurup

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

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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 2017.

FINANCIAL HIGHLIGHTS.

Rs. In Lakhs

	2016-17	2015-16
Sales / revenue from operations	3292.84	650.20
Other income	51.82	29.21
Profit /(Loss) before interest and depreciation	(282.12)	(481.02)
Less: Interest	239.57	203.57
Profit/(Loss) before depreciation	(521.69)	(684.59)
Less : Depreciation	257.35	256.58
Net Profit/(Loss) carried to Balance Sheet	(779.04)	(941.17)

REVIEW OF OPERATIONS

The Company ceased to manufacture on job work basis for Nitta Gelatin India Limited, with effect from 01.04.2016. Thus, it started manufacturing and selling on its own Limed Ossein, Ossein, Dicalcium Phosphate and 8% Dicalcium Phosphate during the previous year. The gross revenue from operations of your Company during the year under review was Rs. 3292.84 lakhs as against Rs. 650.20 lakhs on account of the business model of the Company as above. The Company incurred a loss of Rs 779.04 Lakhs as against a loss of Rs. 941.17 Lakhs in the previous year. The main reason for loss is the lower utilization of capacity for want of permission effluent from the Pollution Control Authorities for discharge of treated effluent.

There has been further delay in the commissioning of the marine pipeline for discharge of the treated effluent into the sea. 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. During the year, the commissioning and pressure testing of the marine pipeline were completed and the Gujarat State Pollution Control Board has issued Provisional Consent Order to M/s. Narmada Clean Tech., the agency responsible for handling pipeline operations. Subsequently, your Company has

applied to GPCB for amending the “Consolidated Consent and Authorisation” in January, 2017 and is awaiting such consent as on the date of this report. It is expected that this amendment will be issued very soon.

DIRECTORS

1. Kerala State Industrial Development Corporation Ltd. (KSIDC) vide their letter dated 27.09.2016 nominated their Asst. General Manager, Mr. M. T. Binil Kumar (DIN 03161942) as Director, replacing Mr. M. R. Karmachandran Nair who continued as Director from the beginning. Besides, Mr. K. Muraleedharan Nair, ceased to act as Director of the Company consequent on his retirement as Advisor (Finance) from the service of the holding company Nitta Gelatin India Ltd, on 30.11.2016. The Board of Directors, at the meeting dated 03.11.2016, appointed Mr. P. Sahasranaman CFO, NGIL as an Additional Director of the Company to replace Mr. K. Muraleedharan Nair.
2. Mr. Noriyuki Tsuji, who acted as Whole-time Director of the Company was appointed as Managing Director of the Company with effect from 01.01.2017, consequent on retirement of Mr. T. P. Philip from service of the Company at the end of his tenure.
3. Your Directors place on record their sincere appreciation for the significant contribution

made by Mr. M. R. Karmachandran Nair, Mr. K. Muraleedharan Nair and Mr. T. P. Philip, on the Board of Directors 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. Sajiv K. Menon and Mr. P. Sahasranaman, Directors, may retire at the 8th 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 who later on got replaced by Mr. M. T. Binil Kumar. 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 consisted of two non-executive directors namely Mr. K. L. Kumar & Mr. Vijayan Menon on exit of Mr. M. R. Karmachandran Nair as Director of the Company.

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 four Board Meetings, four Audit Committee Meetings and one Nomination and Remuneration Committee Meeting 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 01.04.2016 to 31.03.2017 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 - 4,14,000 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 08.07.2014, 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 thereafter 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
08.05.2017

Sajiv K. Menon
Chairman

ANNEXURE I

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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	U24295KL2009PLC024529
(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 P.O., 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 shall be 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	

* As per National Industrial Classification Code 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Nitta Gelatin India Limited	L24299KL1975PLC002691	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, 2016]				No. of Shares held at the end of the year [As on 31st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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's	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, 2016)			Share holding at the end of the year (As on 31st March, 2017)			% 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)

Sl. No		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):

Sl. No	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:

Sl. No	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	Binilkumar Mattappillil Thankappan ***				
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	Gopalakrishnan Rajesh Kurup ##				
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	-	-	-	-
11	Sahasranaman Parameswaran%				
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	-	-	-	-
12	Aby Eapen@				
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	-	-	-	-
13	Hiralkumar Arvindbhai Patel@@				
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 27.09.16

**Ceased w.e.f 30.11.16

***Appointed w.e.f 27.09.16

#ceased w.e.f 01.01.17

appointed w.e.f 04.02.17

%appointed w.e.f 30.11.16

@ceased w.e.f 02.09.16

@@appointed w.e.f 04.02.17

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	11,87,50,000	-	-	11,87,50,000
i) Principal Amount	-			-
ii) Interest due but not paid	-			-
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	3,18,81,271			3,18,81,271
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	15,06,31,271			15,06,31,271
ii) Interest due but not paid	14,02,010			14,02,010
iii) Interest accrued but not due	3,24,234			3,24,234
Total (i+ii+iii)	15,23,57,515			15,23,57,515

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director and Whole - time Director :

(In Rs.)

Sl. No..	Particulars of Remuneration	Name of MD -Shri Philip Thundathil Philip*	Name of MD -Shri Noriyuki Tsuji**	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	14,27,500	1204803	401601	3033904
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	38,452	-	-	38,452
	(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)	14,65,952	12,04,803	40,1,601	30,723,56
	Ceiling as per the Act				

*Ceased to be MD w.e.f 01.01.2017

**Appointed as MD w.e.f 01.01.2017

***Ceased to be WTD w.e.f 01.01.2017

B. Remuneration to other directors

(In Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Kumarapanicker Lalitha Kumar	Vijayan Menon					
	Fee for attending board committee meetings	31,000	41,000					72,000
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)							72,000
2	Other Non-Executive Directors	Sajiv K. Menon	Bhargaviamma Shaji Mohan	K. Muraleedharan Nair	Ramakrishna Pillai Karmachandran Mudiylil	Binilkumar Mattathil Thankappan	Sahasranaman Parameswaran	Total Amount
	Fee for attending board committee meetings	-	-	-	16,000	10,000		26000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	26000
	Total (B)=(1+2)							98,000
	Total Managerial Remuneration (A+B)							3,170,356
	Overall Ceiling as per the Act							60,00,000

* including sitting fee

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel other than MD/Manager/WTd				Total
		CS (Aby Eapen)	CFO (Nindasthalath Venkiteswaran Asokan)	Company Secretary (G.Rajesh Kurup)	CFO (Hiralal Arvindbhai Patel)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,17,360	8,09,726	-	66,600	11,93,686
	(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	3,17,360	8,09,726	-	66,600	11,93,686

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
08.05.2017Sajiv 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 arrangement 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 / sale of products / payment of support service charges and guarantee commission.
- (c) Duration of the contracts / arrangements/transactions : 01.04.2016 to 31.03.2017
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (i) Processing charges – Rs. 18,89,822/- (Cost + 10% subject to maximum of Market Price)
 - (ii)
 - a. Sale of goods to Nitta Gelatin India Limited – Rs. 14,64,47,048/-
 - b. Sale of goods to Nitta Gelatin Inc. – Rs. 14,00,51,168/-
 - c. Purchase of goods – Nitta Gelatin India Limited – Rs. 1,93,47,765/-
 - d. Support service charges paid – Rs. 13,53,600/-
 - e. Guarantee Commission paid – Rs. 3,13,499/-
 - f. Interest on borrowings paid (Nitta Gelatin Inc.) – Rs. 55,17,674/-
 - g. Trade advance received – Rs. 4,23,77,751/-
 - h. Trade advance received outstanding as at 31.03.2017 (Nitta Gelatin India Ltd.) – Rs. 4,23,77,751/-
 - i. Trade advance received outstanding as at 31.03.2017 (Nitta Gelatin Inc.) – Rs. 1,14,03,408/-
- (f) Date(s) of approval by the Board, if any : 27.07.2016, 03.11.2016, 04.02.2017, 08.05.2017
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: 07.09.2016.

For and on behalf of the Board,

Kochi
08.05.2017

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]

A. Conservation of Energy**(a) Energy Conservation Measures Taken**

1. Consciously opted for a VFD Chiller for reduction of energy consumption.
2. Installed a 300 KVR Addl Capacitor for increasing the power factor.

(b) Proposal for energy saving during the Year 2017 -18

Exploration of solar energy system

B (a) Technology Absorption

The technology for Ossein, Limed Ossein and Dicalcium 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

C. Foreign Exchange Earnings and Outgo

(Rs. Lakhs)

Particulars	Current Year	Previous Year
a. Earnings	Rs. 1400.51	-
b. Out go	Rs. 55.18	23.06

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

	Current year 2016-2017	Previous year 2015-2016
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Units (KWH in Lacs)	43.54	33.35
Total Amount (Rs. in lacs)	327.62	233.08
Rate/Unit (Rs.)	7.52	6.99
(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)	2,400.88	1,680.38
Total cost (Rs. in lacs)	101.14	72.54
Average Rate (Rs./MT)	4,213	4317.00
B Consumption per unit of Production:		
Product - Ossein		
1 Electricity (KWH/MT)	2,103	1,875
2 Coal / Lignite (MT/MT)	1.03	1.02
Product - Di Calcium Phosphate		
1 Coal / Lignite (MT/MT)	0.79	0.90

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, 2017, 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, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 2.08.02 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in Note No. 2.13.2. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For VARMA AND VARMA
(FRN : 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

Place: Kochi-19
Date: 08-05-2017

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 2017

- (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 73,50,020/-) as stated in Note No 2.08.01 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, 2017.
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 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 2.26 to the financial statements, Remuneration to Mr. Noriyuki Tsuji (appointed as Managing Director w.e.f 01.01.2017) aggregating to Rs 6,77,182/-, is subject to approval of the Shareholders under the Companies Act, 2013, 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 readwith 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 2.25 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)

Place: Kochi -19
Date: 08-05-2017

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

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 2017

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, 2017 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2017, 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)

(GOPI. K)
Partner

Place: Kochi -19

Date: 08-05-2017

CHARTERED ACCOUNTANTS
Membership No. 214435

REVA PROTEINS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No.	As at 31.03.2017 Rupees	As at 31.03.2016 Rupees
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	2.01	313,605,200	313,605,200
b) Reserves and Surplus	2.02	(152,735,085)	(74,830,951)
2. Non-Current Liabilities			
a) Long Term Borrowings	2.03	214,309,898	213,988,615
b) Long Term Provisions	2.04	1,129,449	765,383
3. Current Liabilities			
a) Short-term Borrowings	2.05	24,362,349	-
a) Trade Payables	2.06		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		70,229,173	8,888,018
b) Other Current Liabilities	2.07	84,291,947	21,608,341
TOTAL		555,192,931	484,024,606
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets	2.08		
i. Tangible Assets		355,697,600	359,479,690
ii. Intangible Assets		2,049,972	-
iii. Intangible Assets under Development			1,688,947
iv. Capital Work-in-progress		18,702,856	14,109,090
b) Non Current Investments	2.09	4,140,000	3,540,000
c) Long Term Loans and Advances	2.10	19,355,141	20,901,042
2. Current Assets			
a) Inventories	2.11	101,546,919	3,195,559
b) Trade Receivables	2.12	1,286,493	5,658,376
c) Cash and Cash Equivalents	2.13	49,727,000	74,248,534
d) Short Term Loans and Advances	2.14	1,634,642	737,489
e) Other Current Assets	2.15	1,052,308	465,879
TOTAL		555,192,931	484,024,606

Significant Accounting Policies and Notes on Accounts 1&2

The accompanying notes are an integral part of financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 0045325)SAJIV K. MENON
Chairman
DIN : 00168228NORIYUKI TSUJI
Managing Director
DIN : 07189371VIJAYAN MENON
Director
DIN : 01141134(GOPI. K)
Partner
CHARTERED ACCOUNTANTS
Membership No. 214435M. T BINIL KUMAR
Director
DIN : 03161942K. L. KUMAR
Director
DIN : 00004804B. SHAJI MOHAN
Director
DIN : 03409101P. SAHASRANAMAN
Director
DIN : 07644126G. RAJESH KURUP
Company SecretaryPlace: Kochi
Date: 08.05.2017

REVA PROTEINS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No.	For the year ended 31.3.2017 Rupees	For the year ended 31.3.2016 Rupees
INCOME			
I. Revenue from Operations	2.16	329,283,879	65,020,090
II. Other Income	2.17	5,182,064	2,920,751
III. Total Revenue		334,465,943	67,940,841
IV. Expenses:			
a. Cost of materials consumed	2.18	288,107,070	-
b. Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.19	(73,442,962)	-
c. Employee benefits expense	2.20	19,691,493	17,260,329
d. Finance costs	2.21	24,390,794	21,563,143
e. Depreciation and amortisation expense	2.08	25,734,652	25,657,760
f. Other expenses	2.22	127,889,030	97,576,583
Total Expenses		412,370,077	162,057,815
V. Loss before tax (III-IV)		(77,904,134)	(94,116,974)
VI. Tax Expense:			
Current Tax		-	-
VII. Loss for the Period (V-VI)		(77,904,134)	(94,116,974)
VIII. Earnings per Equity share (Rs.)			
Nominal value of share Rs. 10/- (Rs. 10/-)			
- Basic/ Diluted	2.23	(4.13)	(4.99)

Significant Accounting Policies and Notes on Accounts

1&2

As per our report of even date attached

For VARMA AND VARMA
(FRN: 004532S)

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

SAJIV K. MENON
Chairman
DIN : 00168228

M. T BINIL KUMAR
Director
DIN : 03161942

NORIYUKI TSUJI
Managing Director
DIN : 07189371

K. L. KUMAR
Director
DIN : 00004804

P. SAHASRANAMAN
Director
DIN : 07644126

VIJAYAN MENON
Director
DIN : 01141134

B. SHAJI MOHAN
Director
DIN : 03409101

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 08.05.2017

REVA PROTEINS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	For the year ended 31.03.2017 Rupees	For the year ended 31.03.2016 Rupees
A. Cash Flows from Operating Activities		
Net Profit / (Loss) before Tax and extraordinary items	(77,904,134)	(94,116,974)
Adjustments for :		
Depreciation	25,734,652	25,657,760
Interest Expenditure	24,390,794	21,563,143
Interest Income	(3,784,030)	(2,766,301)
	46,341,416	44,454,602
Operating Profit / (Loss) before Working Capital Changes	(31,562,718)	(49,662,372)
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	5,664,985	(9,052,988)
(Increase)/Decrease in Inventories	(98,351,360)	(321,359)
Increase/(Decrease) in Trade/ other payables	105,512,240	(32,951,113)
	12,825,865	(42,325,460)
Cash generated from Operations	(18,736,853)	(91,987,832)
Direct taxes	(436,725)	1,223,180
Cash Flow Before Extraordinary Items	(19,173,578)	(90,764,652)
Net Cash from/(used) in Operating Activities	(19,173,578)	(90,764,652)
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(29,504,980)	(32,116,417)
Investment in shares	(600,000)	-
Interest Received	3,980,856	2,540,149
Net Cash from/(used) in Investing Activities	(26,124,124)	(29,576,268)
C. Cash Flows from Financing Activities		
Increase/(Decrease) in Borrowings	43,751,991	89,995,797
Proceeds from issue of share capital	-	125,000,000
Interest Paid	(22,975,823)	(21,251,870)
Net Cash from/(used) in Financing Activities	20,776,168	193,743,927

Summary

Net Cash from/(used) in Operating Activities	(19,173,578)	(90,764,652)
Net Cash from/(used) in Investing Activities	(26,124,124)	(29,576,268)
Net Cash from/(used) in Financing Activities	20,776,168	193,743,927
Net Increase/(Decrease) in Cash Equivalents	(24,521,534)	73,403,007
Cash and Cash Equivalents at beginning of the year	74,248,534	845,527
Cash and Cash Equivalents at the end of the year	49,727,000	74,248,534
	(24,521,534)	73,403,007

As per our 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

M. T BINIL KUMAR
Director
DIN : 03161942

NORIYUKI TSUJI
Managing Director
DIN : 07189371

K. L. KUMAR
Director
DIN : 00004804

P. SAHASRANAMAN
Director
DIN : 07644126

VIJAYAN MENON
Director
DIN : 01141134

B. SHAJI MOHAN
Director
DIN : 03409101

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 08.05.2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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. 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

Sales are recognized on transfer of title of the goods to the customers. Export incentives are recognized on exports on accrual basis, (except when there are significant uncertainties) based on the estimated realisable value of such entitlements. Other income is recognized on accrual basis, (except when there are significant uncertainties) and Income from job charges is recognised on completed service method.

d) Fixed Assets (Property, Plant and Equipment)

Fixed assets are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non – refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

e) Intangible Assets

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

f) Depreciation/ Amortisation

- i. Depreciation on Plant and Machinery (Other than Service Equipments) is provided on SLM basis and for Service Equipments and other assets, is provided on Written Down Value method based on the useful life of fixed assets prescribed under Schedule II of the Companies Act, 2013, which is based on review by the management at the year-end.
- ii. Lease Premium on Land is amortised over the period of lease.
- iii. Software costs treated as Intangible Assets is amortised over a period of five years.

g) Investments

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

h) 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 cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is taken at their current replacement value.

i) 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 recognised 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.

j) 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. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

k) 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.

l) 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..

m) 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.

n) 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.

o) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities other than forward contracts, outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the said date. The exchange gain/loss arising during the year are recognized in the Statement of Profit and Loss.

2 Notes on Accounts

2.01 Share Capital

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Authorised:		
20,000,000(20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
20,000,000(20,000,000) Optionally Convertible Non Cumulative Preference Shares of Rs.10/- each	200,000,000	200,000,000
	400,000,000	400,000,000
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 (12,500,000) 6% Optionally Convertible Non Cumulative Preference Shares of Rs.10/- each	125,000,000	125,000,000
	313,605,200	313,605,200

Reconciliation of shares outstanding at the beginning and at the end of the financial year

a. Equity Shares

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
As at the beginning of the financial year	18,860,520	188,605,200	18,860,520	188,605,200
As at the end of the financial year	18,860,520	188,605,200	18,860,520	188,605,200

b. Preference Shares

As at the beginning of the financial year	12,500,000	125,000,000	-	-
Add : Issue of shares during the year	-	-	12,500,000	125,000,000
As at the end of the financial year	12,500,000	125,000,000	12,500,000	125,000,000

Particulars of Shareholders holding more than 5% share in the Company**1. Equity Shares**

Particulars	As at 31.03.2017		As at 31.03.2016	
	%	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 31.03.2017		As at 31.03.2016	
	%	No. of shares	%	No. of shares
Nitta Gelatin India Limited,Holding Company	100.00	12,500,000	100.00	12,500,000

Particulars of shares held by Holding Company

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (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 (12,500,000) 6% Optionally Convertible Non-Cumulative Preference Shares Rs.10/- each	125,000,000	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 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Securities Premium	215,407,800	215,407,800
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(290,238,751)	(196,121,777)
Loss for the year as per Statement of Profit and Loss	(77,904,134)	(94,116,974)
Closing Balance	(368,142,885)	(290,238,751)
	(152,735,085)	(74,830,951)

2.03 Long Term Borrowings

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Secured Loans		
- Term Loans		
- From HDFC Bank Limited (See Note 2.03.2)	8,590,807	10,638,615
- From other parties - Kerala State Industrial Development Corporation Limited (See Note 2.03.3 and 2.03.4)	115,719,091	113,350,000
Unsecured Loans		
- Loans and Advances From Related Party Nitta Gelatin Inc. Japan (Refer Note 2.03.05)	90,000,000	-
	214,309,898	213,988,615

2.03.1 Current Maturities of Long term debt are mentioned under the head Other Current Liabilities in Note no. 2.07

2.03.2 Secured by way of exclusive first charge over the fixed assets financed out of the term loan, second charge over the existing fixed assets of the company and Corporate Guarantee of the Holding Company - M/s Nitta Gelatin India Limited. The loan is repayable in 72 equated monthly installments (including interest), commencing from 07.06.2015 in the following manner:

Period	Amount in Rs
From, March 2016 to May 2016	116,667
From, June 2016 to April 2021	273,029
In May 2021	34,588

2.03.3 (a) Secured by way of exclusive first charge over the fixed assets of the company including leasehold assets, both present and future and Corporate Guarantee of the Holding Company - M/s Nitta Gelatin India Limited. The principal is repayable in 22 equal monthly installments, commencing from 11.03.2017 in the following manner:

Period	Amount in Rs
From, March 2017 to May 2022	5,400,000
In May 2021	5,350,000

(b) Interest is payable as and when applied. Interest Rate is 10.50% p.a

2.03.4 (a) Secured by way of single mortgage by way of extension of exclusive first charge all the leasehold property held under lease deed no. 1237 of 2010 dated 07/07/2010, SRO Jhagadia and Corporate Guarantee of the Holding Company - M/s Nitta Gelatin India Limited. The principal is repayable in 28 equal monthly installments, commencing from 11.03.2017 in the following manner:

Period	Amount in Rs
From, March 2017 to December 2019	625,000
From, March 2020 to December 2022	1,250,000
From, March 2023 to December 2023	1,875,000

(b) Interest is payable as and when applied. Interest Rate is 12.50% p.a

2.03.5 (a) The principal is repayable in 20 equal quarterly installments, commencing from 15.09.2018 in the following manner:

Period	Amount in Rs
From, September 2018 to June 2023	4,500,000

(b) Interest is payable on quarterly basis along with principal at 6 months USD LIBOR Rate + 5.00 % p.a.

2.04 Long-term Provisions

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Provision for Employee benefits (See Note 2.04.1)	1,129,449	765,383
	1,129,449	765,383

2.04.1 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	897,351	750,839

b. Defined Benefit Plans - Gratuity: Unfunded Obligation

Gratuity - Unfunded Obligation

i	Actuarial Assumptions	Current Year	Previous Year
	Discount Rate (per annum)	8.00%	8.00%
	Salary escalation rate*	5.00%	5.00%
	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	431,122	256,485
Current Service Cost	141,032	108,655
Interest Cost	40,131	24,865
Actuarial (gain)/loss	48,952	41,117
Benefits Paid	(40,953)	-
Present value of obligation at the end of the year	620,284	431,122

iii Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2016-17 (Rupees)	2015-16 (Rupees)	2014-15 (Rupees)	2013-14 (Rupees)	2012-13 (Rupees)
Present value of obligations at the end of the year	620,284	431,122	256,485	271,959	150,166
Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	620,284	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	141,032	108,655
Interest Cost	40,131	24,865
Actuarial (gain) / loss recognised in the period	48,952	41,117
Total expenses recognised in the Statement of Profit and Loss for the year	230,115	174,637

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)	8.00%	8.00%
Salary escalation rate*	5.00%	5.00%
Attrition rate	1.92%	1.92%

* 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	334,261	197,318
Current Service Cost	201,050	168,004
Interest Cost	34,783	22,506
Actuarial (gain)/loss	171,337	(44,745)
Benefits Paid	(232,266)	(8,822)
Present value of obligation at the end of the year	509,165	334,261

iii Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2016-17 (Rupees)	2015-16 (Rupees)	2014-15 (Rupees)	2013-14 (Rupees)	2012-13 (Rupees)
Present value of obligations at the end of the year	509,165	334,261	197,318	262,361	129,601
Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	509,165	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	201,050	168,004
Interest Cost	34,783	22,506
Actuarial (gain) / loss recognised in the period	171,337	(44,745)
Total expenses recognised in the Statement of Profit and Loss for the year	407,170	145,765

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

2.05 Short-term Borrowings

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Working Capital Loan from Banks (Secured) (See Note 2.05.1)	24,362,349	-
State Bank of India	24,362,349	-

2.05.1 Security offered on the above loan is as under :

- Primary Security - first charge on the entire current assets of the company, both present and future.
- Collateral security - on the entire fixed assets of the company, both present and future
- Corporate Guarantee - of the Holding Company - M/s Nitta Gelatin India Limited."

2.06 Trade payables

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
(i)Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	70,229,173	8,888,018
	70,229,173	8,888,018

2.06.1 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.

2.07 Other Current Liabilities

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Current maturities of long term borrowings (See Note 2.03.1, 2.03.2, 2.03.3, 2.03.4 and 2.03.5)	26,321,373	7,253,014
Interest accrued and due on borrowings	1,402,010	-
Interest accrued but not due on borrowings	324,234	311,273
Other Payables -		
- Advance from Customers	53,781,159	-
- Claim payable towards materials damaged in processing	-	10,529,864
- Statutory Dues	505,545	731,711
- Deposits	1,452,074	670,184
- Creditors for Capital Goods	505,552	2,112,295
	84,291,947	21,608,341

Note 2.08 - FIXED ASSETS & CAPITAL WORK IN PROGRESS

(Amount in Rs.)

Particulars	Gross Block (at cost)			Depreciation			Net Block	
	As at 01.04.2016	Additions	Disposals/ Adjustments	As at 31.03.2017	As at 01.04.2015	For the year	Disposals/ Adjustments	As at 31.03.2017
FIXED ASSETS:								
(i) Tangible Assets (Property, Plant & Equipment)								
Lease hold Land (Refer Note No 2.08.01)	61,219,210 (61,219,210)	1,050,112 -	- -	62,269,322 (61,219,210)	3,947,384 (3,329,008)	619,232 (618,376)	- -	57,702,706 (57,271,826)
Building	139,564,924 (125,368,591)	12,901,068 (14,196,333)	174,381 -	152,291,611 (139,564,924)	50,797,803 (39,048,638)	11,076,682 (11,749,165)	- -	90,417,126 (88,767,121)
Plant and Equipment	316,006,612 (312,259,834)	9,268,245 (3,746,778)	2,199,129 -	323,075,728 (316,006,612)	104,991,848 (92,462,726)	12,462,692 (12,529,122)	- -	205,621,188 (211,014,764)
Office Equipment	2,882,914 (1,367,415)	489,370 (1,515,499)	- -	3,372,284 (2,882,914)	1,444,648 (894,565)	800,097 (550,083)	- -	1,127,539 (1,438,266)
Furniture and Fixtures	1,640,549 (768,163)	119,540 (872,386)	- -	1,760,089 (1,640,549)	652,836 (441,822)	278,212 (211,014)	- -	829,041 (987,713)
Total	521,314,209	23,828,335	2,373,510	542,769,034	161,834,519	25,236,915	-	355,697,600
PREVIOUS YEAR	(500,983,213)	(20,330,996)	-	(521,314,209)	(136,176,759)	(25,657,760)	-	(359,479,690)
(ii) Intangible Asset								
Software	-	2,547,709	-	2,547,709	-	497,737	-	2,049,972
TOTAL	-	2,547,709	-	2,547,709	-	497,737	-	2,049,972
PREVIOUS YEAR	-	-	-	-	-	-	-	-
(iii) Capital Work In progress	269,075	781,037	1,050,112	-	-	-	-	-
Improvements to Leasehold land	-	(269,075)	-	(269,075)	-	-	-	(269,075)
Building under Construction	3,440,308	10,412,811	12,391,300	1,461,819	1,461,819	-	-	1,461,819
Plant and Equipment under Installation	10,399,707	13,450,454	6,609,124	17,241,037	17,241,037	-	-	17,241,037
TOTAL	14,109,090	24,644,302	20,050,536	18,702,856	-	-	-	18,702,856
PREVIOUS YEAR	(3,881,775)	(14,109,090)	(3,881,775)	(14,109,090)	-	-	-	(14,109,090)
(iv) Intangible assets under development								
Software	1,688,947	687,176	2,376,123	-	-	-	-	1,688,947
TOTAL	-	(1,688,947)	-	(1,688,947)	-	-	-	(1,688,947)

2.08.01 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 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 metres 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. 73,50,020/-), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

2.08.02 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.

2.08.03 Estimated amount of contracts remaining to be executed on capital account and not provided for-Rs 16,572,384 (Rs 13,241,504/-)

2.09 Non current investments

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Investment in Equity Instruments (at Cost)-Long Term: (Unquoted, trade)		
Narmada Clean Tech Ltd.		
4,14,000 (3,54,000) fully paid up equity shares of Rs 10/- each	4,140,000	3,540,000
Aggregate amount of unquoted investments	4,140,000	3,540,000

2.10 Long Term Loans and Advances

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
(Unsecured, Considered Good)		
Capital Advance	-	1,382,626
Income Tax Advance (Net) Including Tax Deducted at Source	3,569,948	3,133,223
Security Deposits	15,785,193	16,385,193
	19,355,141	20,901,042

2.10.01 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.

2.11 Inventories

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Raw Materials	19,864,874	-
Work-in-progress	59,110,194	-
Finished Goods	14,332,768	-
Stores & Spares	7,907,111	3,064,376
Loose Tools	131,897	131,183
Others - Packing Materials	200,075	-
	101,546,919	3,195,559

2.11.01 Method of valuation of inventories - Refer 1 (h) of Significant Accounting Policies.

2.12 Trade Receivables

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Outstanding for a period exceeding 6 months from the date they are due for payment.	-	-
Others (Unsecured, Considered Good)	1,286,493	5,658,376
	1,286,493	5,658,376

2.13 Cash and Cash Equivalents

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Balances with banks:		
in current accounts	4,299,400	3,773,941
in deposit accounts	45,216,588	70,448,265
Cash on hand	211,012	26,328
	49,727,000	74,248,534

2.13.01 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).

2.13.02 Details of Specified Bank Notes (SBN) held and transacted during the period 08th November 2016 to 30th December 2016

	SBN	Other Denomination notes	Total
Closing Cash on hand as on 08.11.2016	412,000	62,975	474,975
(+) Permitted receipts	-	322,200	322,200
(-) Permitted Payments	-	291,597	291,597
(-) Amount deposited in banks	412,000	-	412,000
Closing cash on hand as on 30.12.2016	-	93,578	93,578

2.14 Short Term Loans and Advances

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
(Unsecured, considered good)		
- Advances recoverable in cash or in kind or for value to be received.	1,035,538	630,139
- Deposits	115,850	107,350
- Balances with Central Excise, Customs Sales Tax etc.	483,254	-
	1,634,642	737,489

2.15 Other Current Assets

Particulars	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
Interest Accrued on Deposits	269,053	465,879
Export Incentive		
- Duty Drawback	783,255	-
Total	1,052,308	465,879

2.16 Revenue From Operations

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
<u>Sale of Products</u>		
Gross Sales	325,993,545	-
<u>Sale of Services</u>		
Income from Job Charges	1,889,822	65,020,090
<u>Other Operating Revenues</u>		
Export Incentive	1,400,512	-
	329,283,879	65,020,090

2.17 Other Income

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Interest Income	3,784,030	2,766,301
Sale of Scrap	388,001	154,450
Foreign Exchange Rate Variation (net)	1,002,688	-
Other non operating Income	7,345	-
	5,182,064	2,920,751

2.18 Cost of materials consumed

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Opening Stock	-	-
Add: Purchases	307,971,944	-
	307,971,944	-
Less: Closing Stock	19,864,874	-
	288,107,070	-

2.19 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Closing Stock		
Finished Goods	14,332,768	-
Work-in-progress	59,110,194	-
	73,442,962	-
Less:		
Opening Stock		
Finished Goods	-	-
Work-in-progress	-	-
	73,442,962	-

2.20 Employee Benefits Expense

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Salaries & Wages	16,724,087	14,722,337
Contribution to Provident and Other Funds	1,132,686	750,839
Workmen & Staff Welfare Expenses	1,834,720	1,787,153
	19,691,493	17,260,329

2.21 Finance Costs

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Interest Expense	23,957,359	20,356,518
Other borrowing costs	433,435	1,206,625
	24,390,794	21,563,143

2.22 Other Expenses

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Consumption of Stores, Spares & Consumables	7,431,347	599,686
Packing materials Consumed	931,400	-
Power, Fuel, Water & Gas	58,239,128	39,798,212
Repairs		
- Building	88,568	-
- Plant & Machinery	7,552,197	4,962,336
- Others	3,501,545	1,846,161
Loading, Transportation and Other charges on products	5,165,999	-
Insurance	896,310	666,301
Rent	-	200,433
Rates & Taxes	370,267	5,000,058
Postage & Telephone	590,267	470,880
Printing & Stationery	362,620	194,847
Travelling & Conveyance	4,632,245	5,248,192
Director's sitting fee	112,610	84,000
Payments to the Auditors (See Note 2.22.1)	270,250	220,225
Advertisement & Publicity	35,055	16,530
Professional & Consultancy charges	1,447,450	583,500
Bank Charges	302,796	102,300
Guarantee Commission	313,499	285,156
Security Charges	2,889,419	2,751,501
Effluent Discharge Fee	13,386,001	16,384,027
Contract Labour Charges	12,880,804	15,944,583
Miscellaneous Expenses	6,489,253	2,217,655
	127,889,030	97,576,583

2.22.01 Details of Payments to the Auditors

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
a. Statutory Audit Fees	200,000	130,000
b. Other Services		
Service Tax on above	30,000	27,725
Taxation Matters (Including Tax Audit)	35,000	60,000
Service Tax on above	5,250	2,500
	270,250	220,225

2.23 Earnings per Equity share

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Loss for the year	(77,904,134)	(94,116,974)
Weighted average number of equity shares of Rs 10/- each fully paid up	18,860,520	18,860,520
Earnings per Share (Basic & Diluted)	(4.13)	(4.99)

2.24 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".

2.25 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	
Mr. T.P. Philip	Managing Director (upto 31.12.2016)
Mr. Noriyuki Tsuji	Whole Time Director upto (upto 31.12.2016)
	Managing Director (w.e.f 01.01.2017)

B Description of Transactions**Amount in Rupees**

Particulars	Holding Company	Enterprise having substantial interest in the Company	Key Management Personnel	Total
Income from Job charges	1,889,822	-	-	1,889,822
	(65,020,090)	-	-	(65,020,090)
Expenses Recovered	1,617,126	-	-	1,617,126
	(6,912,393)	-	-	(6,912,393)
Expenses reimbursed	3,453,565	-	-	3,453,565
	(3,448,224)	-	-	(3,448,224)
Guarantee Commission Paid	313,499	-	-	313,499
	(285,156)	-	-	(285,156)
Support Fees paid	1,353,600	-	-	1,353,600
	-	-	-	-
Issue of 6% Optionally Convertible Non-Cumulative Preference Shares	-	-	-	-
	(125,000,000)	-	-	(125,000,000)
Borrowings Availed	-	-	-	-
	-	(90,000,000)	-	(90,000,000)
Interest paid on Borrowings	-	5,517,674	-	5,517,674
	-	(2,305,812)	-	(2,305,812)
Interest paid on Trade Advance	-	-	-	-
	(3,935,104)	-	-	(3,935,104)
Security Deposit Accepted	-	-	-	-
	(200,000)	-	-	(200,000)
Security Deposit Refunded	-	-	-	-
	(200,000)	-	-	(200,000)
Sale of Goods	146,447,048	140,051,168	-	286,498,216
	-	-	-	-

Purchase of Goods	19,347,765	-	-	19,347,765
	-	-	-	-
Remuneration to Managing Director	-	-	2,362,443	2,362,443
	-	-	(1,711,547)	(1,711,547)
Remuneration to Whole Time Director	-	-	1,204,803	1,204,803
	-	-	(1,824,253)	(1,824,253)
"Remuneration to Whole Time Director (Prior to 09.07.2015 - Designation held as Executive Vice President (Technical))"	-	-	-	-
	-	-	(163,866)	(163,866)
Balance outstanding as at 31.03.2017				
Nitta Gelatin India Limited			-	-
Trade Advance from Customers	42,377,751	11,403,408	-	53,781,159
	-	-	-	-
Claim payable towards materials damaged in processing	-	-	-	-
	(10,529,864)	-	-	(10,529,864)
Deposits	-	-	-	-
	(200,000)	-	-	(200,000)
Corporate Guarantee received	242,500,000	-	-	242,500,000
	(212,500,000)	-	-	(212,500,000)
Trade Receivable	-	-	-	-
	(5,658,376)	-	-	(5,658,376)
"Nitta Gelatin Inc, Japan - Borrowings"	-	90,000,000	-	90,000,000
	-	(90,000,000)	-	(90,000,000)

2.26 Remuneration to Mr. Noriyuki Tsuji (appointed as Managing Director w.e.f 01.01.2017) aggregating to Rs 6,77,182/-, is subject to approval of the Shareholders under the Companies Act, 2013, which is being sought for at the ensuing Annual General Meeting.

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

2.28 Segment Information

The company is engaged in the business of manufacture and sale of Ossein, Limed Ossein and DCP, which broadly forms part of one product group and hence constitutes a single business segment. However, based on geographical factors, reportable geographic segments have been identified as export sales and domestic sales for the current financial year. In respect of the previous financial year, there is only one reportable geographical segment. The segment wise information pertaining to the reportable geographical segments as above is as follows:

Particulars	Export Rupees	Domestic Rupees	Consolidated Rupees
Segment Revenue (External Sales)	142,454,368	188,227,546	330,681,914
	-	(65,174,540)	(65,174,540)
Segment Result	(22,696,589)	(32,186,516)	(54,883,105)
		(75,320,132)	(75,320,132)
Unallocated Expenditure (Net)	-	-	1,797,971
	-	-	-
Interest Expense (Net)	-	-	21,223,058
	-	-	(18,796,842)
Loss before taxation	-	-	(77,904,134)
	-	-	(94,116,974)

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 segments.

2.29 Turnover and Opening and Closing stock

Particulars	Sales Rupees	Closing Inventory Rupees		Opening Inventory Rupees	
		Finished Goods	Work In Progress	Finished Goods	Work In Progress
Ossein	50,454,078	2,125,615	8,114,797	-	-
	-	-	-	-	-
Limed Ossein	236,043,209	9,916,253	50,995,397	-	-
	-	-	-	-	-
Dicalcium Phosphate/8% Dicalcium Phosphate	34,278,098	2,290,900	-	-	-
	-	-	-	-	-
Others	5,218,160	-	-	-	-
	-	-	-	-	-
	325,993,545	14,332,768	59,110,194	-	-
	-	-	-	-	-

2.30 Particulars of raw materials consumed during the year

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
	%	%
Crushed Bone	287,613,442	-
Others	493,628	-
	288,107,070	-

2.31 Break-up of Consumption

Particulars	Year ended 31.03.2017		Year ended 31.03.2016	
	%	Amount (Rupees)	%	Amount (Rupees)
Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	288,107,070	-	-
Total	100.00	288,107,070	-	-
Stores & Spares *				
Imported	-	-	-	-
Indigenous	100.00	11,269,249	100.00	2,445,847
Total	100.00	11,269,249	100.00	2,445,847
*Debited under Stores and spares consumed		7,431,347		599,686
*Debited under Repairs and Maintenance		3,837,902		1,846,161
		11,269,249		2,445,847

2.32 Expenditure in foreign currency on account of :

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Interest on Borrowings	5,517,674	2,305,812
	5,517,674	2,305,812

2.33 Earnings in Foreign Exchange

Particulars	For the year ended 31.03.2017 (Rupees)	For the year ended 31.03.2016 (Rupees)
Export of goods calculated on FOB basis	140,051,168	-
	140,051,168	-

2.34 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 report of even date attached

For VARMA AND VARMA
(FRN: 004532S)

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

Place: Kochi
Date: 08.05.2017

For and on behalf of the Board of Directors

SAJIV K. MENON
Chairman
DIN : 00168228

M. T BINIL KUMAR
Director
DIN : 03161942

NORIYUKI TSUJI
Managing Director
DIN : 07189371

K. L. KUMAR
Director
DIN : 00004804

P. SAHASRANAMAN
Director
DIN : 07644126

VIJAYAN MENON
Director
DIN : 01141134

B. SHAJI MOHAN
Director
DIN : 03409101

G. RAJESH KURUP
Company Secretary

[illegible]



Reva Proteins Limited

7th Annual Report
2015 - 2016

(293- 336)

Registered Office : 54/1446, Panampilly Nagar, Kochi - 682 036

Factory : Plot No. 832, GIDC Industrial Estate, Jhagadia, Bharuch Dist, Gujarat - 393 110



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

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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	U24295KL2009PLC024529
(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	L24299KL1975PLC002691	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 Mudiylil				
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

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

CHARTERED ACCOUNTANTS
Membership No. 214435

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 authorisation 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)
PartnerCHARTERED ACCOUNTANTS
Membership No. 214435SAJIV K. MENON
Chairman
DIN : 00168228NORIYUKI TSUJI
Director
DIN : 07189371K. MURALEEDHARAN NAIR
Director
DIN : 02421663T. P. PHILIP
Managing Director
DIN : 00008636M. R. KARMACHANDRAN
Director
DIN : 00164106B. SHAJI MOHAN
Director
DIN : 03409101VIJAYAN MENON
Director
DIN : 01141134K. L. KUMAR
Director
DIN : 00004804Place: Kochi
Date: 02.05.2016N. V. ASOKAN
Chief Financial OfficerABY 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
	44,454,602	44,393,533
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
	(42,325,460)	82,314,396
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

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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 (Rupees)	As at 31.03.2015 (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	<p>“1) Exclusive first charge over the fixed assets financed out of the term loan.</p> <p>2) Second charge over the existing fixed assets of the company.</p> <p>3) Corporate Guarantee of the Holding Company - M/s. Nitta Gelatin India Limited.”</p>	<p>“Loan is repayable in 72 equal monthly installments including 10 months of moratorium for the principal as stated below:</p> <p>1) 10th to 12th Installments : Rs 116,667/- commencing from 07.03.2016 to 07.05.2016.</p> <p>2) 13th to 71st Installments : Rs 273,029/- commencing from 07.06.2016 to 07.04.2021.</p> <p>3) Final Installment of Rs 54,185/- on 07.05.2021.</p> <p>Interest rate is Base Rate + 1.5% per annum (Effective rate as on 31.3.2016 is 10.80% p.a)”</p>
From other parties - Kerala State Industrial Development Corporation Limited	<p>“1) The loan is secured by exclusive first charge over the entire fixed assets of the company including leasehold assets, both present and future;</p> <p>2) Corporate Guarantee of the Holding Company - M/s. Nitta Gelatin India Limited.”</p>	<p>“The repayment schedule was revised during the year as stated below:</p> <p>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.</p> <p>2) Interest is payable as and when applied</p> <p>Interest rate is 10.50% p.a”</p>

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	Additions	Disposals/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	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	618,376	57,271,826	57,890,202
Building	(61,219,210)	-	-	(61,219,210)	(2,710,632)	(618,376)	(57,890,202)	(58,508,578)
	125,368,591	14,196,333	-	139,564,924	39,048,638	11,749,165	88,767,121	86,319,953
Plant and Equipment	(124,770,389)	(598,202)	-	(125,368,591)	(23,048,082)	(16,000,556)	(86,319,953)	(101,722,307)
	312,259,834	3,746,778	-	316,006,612	92,462,726	12,529,122	211,014,764	219,797,108
Office Equipment	(309,213,273)	(3,046,561)	-	(312,259,834)	(80,173,648)	(12,289,078)	(219,797,108)	(229,039,626)
	1,367,415	1,515,499	-	2,882,914	894,565	550,083	1,438,266	472,850
Furniture and Fixtures	(941,282)	(426,133)	-	(1,367,415)	(409,626)	(484,939)	(472,850)	(531,656)
	768,163	872,386	-	1,640,549	441,822	211,014	987,713	326,341
	(562,821)	(205,342)	-	(768,163)	(356,321)	(85,501)	(326,341)	(206,500)
TOTAL	500,983,213	20,330,996	-	521,314,209	136,176,759	25,657,760	359,479,690	364,806,454
PREVIOUS YEAR	(496,706,975)	(4,276,238)	-	(500,983,213)	(106,698,309)	(29,478,450)	(364,806,454)	(390,008,667)
(ii) Capital Work in progress								
Improvements to Leasehold land	-	269,075	-	269,075	-	-	269,075	-
Building under Construction	-	-	-	-	-	-	(1,551,789)	(851,380)
	-	3,440,308	-	3,440,308	-	-	3,440,308	-
Plant and Equipment under Installation	3,881,775	10,399,707	3,881,775	10,399,707	-	-	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	-	-	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 74,29,91/-), 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 VARMA AND VARMA
(FRN: 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

Place: Kochi
Date: 02.05.2016

For and on behalf of the Board of Directors

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

N. V. ASOKAN
Chief Financial Officer

ABY EAPEN
Company Secretary



Reva Proteins Limited

6th Annual Report
2014 - 2015

(337-376)



Reva Proteins Limited

CIN No. : U24295KL2009PLC024529

Annual Report 2014 - 15

BOARD OF DIRECTORS

Chairman	: SAJIV K. MENON
Directors	: M.R. KARMACHANDRAN
	: K. L. KUMAR
	: K. MURALEEDHARAN NAIR
	: Y. MORIOKA
	: B. SHAJI MOHAN
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

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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 sixth Annual report and the Audited Financial Statements of the Company for the year ended 31st March 2015.

FINANCIAL HIGHLIGHTS.

Rs. In Lakhs

	2014-15	2013-14
Profit /(Loss) before interest and depreciation	(366.40)	462.70
Less: Interest	152.73	178.90
Profit/(Loss) before depreciation	(519.13)	283.80
Less: Depreciation	294.79	514.86
Net Profit/(Loss) carried to Balance Sheet	(813.92)	(231.06)

REVIEW OF OPERATIONS

The Company continued to manufacture Limed Ossein, Ossein, Di-Calcium Phosphate and 8% Di-Calcium Phosphate on job work basis for Nitta Gelatin India Limited (NGIL), the holding company and processed 5536.15 MT of CB as against 7833.471 MT during the previous year. The Company incurred a loss of Rs.813.92 Lakhs during the year as against a loss of Rs. 231.06 Lakhs in the previous year. The main reason for loss is the lower utilization of capacity for want of permission from the Pollution Control Authorities for discharge of treated effluent.

There has been further delay in completion of the marine pipeline for discharge of the treated effluent into the sea. 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 and is targeted for completion by 30.08.2015 as per information provided by the Narmada Clean Tech., the agency responsible for the pipeline project.

Apart from the above, the Pollution Control Authorities have ordered shut down of the plant from 06.08.2014 to 10.09.2014. Material in process in the plant valued at Rs. 105.30 Lakhs was damaged on account of this forced shutdown.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

- On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. T. P. Philip as the Managing Director of the Company with effect from 01.01.2015 in place of Mr. B. Shaji Mohan, whose tenure ended on 31.12.2014. The Members of the Company had at the EGM held on 31.03.2015 also approved the said appointment and terms of remuneration of Mr T. P. Philip.

Your Directors place on record their sincere appreciation for the significant contribution made by Mr. B. Shaji Mohan as Managing Director of the Company.

- The Board of Directors appointed Mr. K.L. Kumar as an Additional Director of the Company in the category of Independent Director with effect from 29th December, 2014. Thereafter, at the Extraordinary General Meeting (EGM) of the Company held on 31st March, 2015, the Members of the Company appointed Mr. K.L. Kumar as Independent Director under the Companies Act, 2013 for a term running up to the conclusion of the AGM in the year 2018, not liable to retire by rotation. Mr. K.L. Kumar has given declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.
- Mr. B. Shaji Mohan was appointed as an Additional Director of the Company with effect from 01.01.2015. The Members of the Company had at the EGM held on 31.03.2015

also approved the said appointment of Mr. B. Shaji Mohan.

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, Mr. Sajiv K. Menon and Mr. K. Muraleedharan Nair, Directors, retire at the 6th 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 conforming to the requirement of Section 177 of the Companies Act, 2013. The committee consists of four non-executive directors namely Mr. Sajiv K. Menon, Mr. K. L. Kumar, Mr. M. R. Karmachandran & Mr. K. Muraleedharan Nair. The terms of reference of the Audit Committee sufficiently cover 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 existing "Remuneration Committee" is now called as the "Nomination and Remuneration Committee". The committee consists of four non-executive directors namely Mr. Sajiv K. Menon, Mr. M. R. Karmachandran, Mr. Y. Morioka & Mr. K. Muraleedharan Nair.

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 five Board Meetings, two Audit Committee Meetings and one Nomination and Remuneration Committee Meeting 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 01.04.2014 to 31.03.2015 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. (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 as **Annexure III**.

PARTICULARS OF EMPLOYEES

No employee of the Company is 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 had been followed along with proper explanation relating to material departures;

- (b) the Directors had 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 of the loss of the company for that period;
- (c) the Directors had 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

As per Sec.139(1) of Companies Act, 2013, M/s. Varma & Varma, the retiring auditors having completed a term of 5 years on the conclusion of forthcoming Annual General Meeting are eligible to hold office for another 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. A resolution is being proposed for their appointment at the 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
29.04.2015

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	U24295KL2009PLC024529
(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	50/1002, 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	99.64%

* 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	L24299KL1975PLC002691	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, 2014]				No. of Shares held at the end of the year [As on 31st March, 2015]				% 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									
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, 2014)			Share holding at the end of the year (As on 31st March, 2015)			% 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 Mudiylil				
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	-	-	-	-

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	15,62,45,832	Nil	Nil	15,62,45,832
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	15,62,45,832	Nil	Nil	15,62,45,832
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	2,50,00,000	Nil	Nil	2,50,00,000
Net Change	2,50,00,000	Nil	Nil	2,50,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	13,12,45,832	Nil	Nil	13,12,45,832
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	13,12,45,832	Nil	Nil	13,12,45,832

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 MD-Shri Bhargaviamma Shajimohan#	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,20,000	Nil	4,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,425	Nil	16,425
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil

Total (A)	4,36,425	Nil	4,36,425
Ceiling as per the Act	42,00,000	42,00,000	42,00,000

* For the period 01.01.2015 to 31.03.2015

For the period upto 31.12.2014

B. Remuneration to other directors

(In Rs.)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Kumarapanicker Lalitha Kumar					
	Fee for attending board committee meetings	3,000					3,000
	Commission	Nil					Nil
	Others, please specify	Nil					Nil
	Total (1)	3,000					3,000
2	Other Non-Executive Directors	Ramakrishnapillai Karmachandran Mudiyil	Sajiv K. Menon	Krishnapanicker Muraleedharan Nair	Bhargaviamma Shajimohan	Yasuo Morioka	Nil
	Fee for attending board committee meetings	21,000	Nil	Nil	Nil	Nil	21,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	21,000	Nil	Nil	Nil	Nil	21,000
	Total (B)=(1+2)	24,000	Nil	Nil	Nil	Nil	24,000
	Total Managerial Remuneration	4,60,425*	Nil	Nil	Nil	Nil	4,60,425
	Overall Ceiling as per the Act	42,00,000					42,00,000

* including sitting fee

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

SN	Particulars of Remuneration	CS (Aby Eapen)	CFO (Nindasthalath Venkiteswaran Asokan)	CEO * (Philip Thundathil Philip)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,96,983	5,65,614	5,04,000	14,66,597
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,109	188	4,844	6,141
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	3,98,092	5,65,802	5,08,844	14,72,738

* 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
29.04.2015

Sajiv K. Menon
Chairman

Annexure II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies 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 : 01.04.2014 to 31.03.2015
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (i) Processing charges – Rs. 7,72,66,500/- (Cost + 10% subject to maximum of Market Price)
 - (ii) Trade advance – Rs. 3,61,11,221.09
 - (iii) Claims payable – Rs. 1,05,29,864/-
- (e) Date(s) of approval by the Board, if any :22.05.2014, 29.12.2014, 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: 8th July, 2014

For and on behalf of the Board,

Kochi
29.04.2015

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. Installed Filter Press in ETP thereby reducing the ETP RVDF running hours.

(b) Proposal for energy saving during the Year 2015 -16

1. Bio gas plant for canteen
2. Optimization of water pumping system using VFD.

II (a) Technology Absorption

The technology for Ossein, Limes 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 2014-2015	Previous year 2013-2014
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Units (KWH in Lacs)	28.90	33.27
Total Amount (Rs. in lacs)	196.41	214.69
Rate/Unit (Rs.)	6.80	6.45
(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)	1,857.340	2,528.587
Total cost (Rs. in lacs)	71.49	108.39
Average Rate (Rs./MT)	3,849	4,287
B Consumption per unit of Production:		
Product - Ossein		
1 Electricity (KWH) Per MT	2,118.28	1,871.33
2 Coal / Lignite (MT) Per MT	1.32	1.34
Product- Di - Calcium Phosphate		
1 Coal / Lignite (MT) Per MT	0.939	0.760

INDEPENDENT AUDITORS' REPORT

To the Members of Reva Proteins Limited, Kochi

Report on Financial Statements

We have audited the accompanying financial statements of Reva Proteins Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi-19
Date: 29-04-2015

ANNEXURE REFERRED TO IN PARAGRAPH I 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 2015

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) We are informed that major items of the fixed assets have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the company and the nature of its assets and that no material discrepancies have been noticed on such verification.
2. (a) We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals, having regard to the size of the company and the nature of its business.
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and discrepancies noticed on physical verification were properly dealt with in the books of account by the management.
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 or other parties requiring to be entered in the register in terms of Section 189 of the Companies Act, 2013. Accordingly, the reporting requirements under clauses (iii) (a) and (iii) (b) of the paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for services rendered. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
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 reporting requirements

of the Companies Act, 2013 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, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, as applicable to the Company with the appropriate authorities during the year. There are no arrears of undisputed statutory dues outstanding at 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, 2015.
(c) According to the information and explanations given to us and the records of the Company examined by us, there are no amounts required to be transferred to Investor Education and Protection Fund and hence the reporting requirements under clauses (vii) (c) of the paragraph 3 of the Order are not applicable.
8. The accumulated losses of the company as at 31.03.2015 amounting to Rs. 19,61,21,777

are less than fifty percent of its paid up capital of Rs. 18,86,05,200 and Securities Premium of Rs. 21,54,07,800 aggregating to Rs. 40,40,13,000 as at the said date. The Company has incurred cash losses in the current financial year and has not incurred cash losses in the immediately preceding financial year.

9. 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 dues to the financial institution or bank.
10. According to the information and explanations given to us and the records of the company examined by us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. According to the information and explanations given to us and the records of the Company examined by us, the term loans availed by the company have been applied for the purpose for which the loans were obtained.
12. 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 on or by the company, noticed or reported during the year, nor have been informed of such case by the Management.

For VARMA AND VARMA
(FRN : 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi -19
Date: 29.04.2015

REVA PROTEINS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	Note No.	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	2.01	188,605,200	188,605,200
b) Reserves and Surplus	2.02	19,286,023	100,678,471
2. Non-Current Liabilities			
a) Long Term Borrowings	2.03	106,245,832	131,250,000
b) Long Term Provisions	2.04	453,803	534,320
3. Current Liabilities			
a) Trade Payables	2.05	6,103,946	5,207,758
b) Other Current Liabilities	2.06	73,577,352	27,023,827
TOTAL		394,272,156	453,299,576
II. ASSETS			
1. Non Current Assets			
a) Fixed Assets	2.07		
i. Tangible Assets		364,806,454	390,008,667
ii. Capital Work-in-progress		3,881,775	1,551,789
b) Non Current Investments	2.08	3,540,000	3,540,000
c) Long Term Loans and Advances	2.09	17,612,830	18,902,355
2. Current Assets			
a) Inventories	2.10	2,874,200	2,876,077
b) Trade Receivables	2.11	-	32,699,049
c) Cash and Cash Equivalents	2.12	845,527	2,819,430
d) Short Term Loans and Advances	2.13	471,643	484,447
e) Other Current Assets	2.14	239,727	417,762
TOTAL		394,272,156	453,299,576

Significant Accounting Policies and Notes on Accounts

1&2

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094SAJIV K. MENON
Chairman
DIN : 00168228Y. MORIOKA
Director
DIN : 06641198K. MURALEEDHARAN NAIR
Director
DIN : 02421663T. P. PHILIP
Managing Director
DIN : 00008636M. R. KARMACHANDRAN
Director
DIN : 00164106N. V. ASOKAN
Chief Financial OfficerK. L. KUMAR
Director
DIN : 00004804B. SHAJI MOHAN
Director
DIN : 03409101ABY EAPEN
Company SecretaryPlace: Kochi
Date: 29.04.2015

REVA PROTEINS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	For the year ended 31.3.2015 Rupees	For the year ended 31.3.2014 Rupees
INCOME			
I. Revenue from Operations	2.15	77,266,500	126,886,563
II. Other Income	2.16	641,769	3,147,999
III. Total Revenue		77,908,269	130,034,562
IV. EXPENSES:			
a. Employee Benefits Expense	2.17	11,939,368	11,668,835
b. Finance Costs	2.18	15,272,794	17,889,654
c. Depreciation and Amortisation Expense	2.07	29,478,450	51,486,611
d. Other Expenses	2.19	92,080,241	72,095,488
Total Expenses		148,770,853	153,140,588
V. Loss before exceptional item and tax (III-IV)		(70,862,584)	(23,106,026)
VI. Exceptional Item	2.20	10,529,864	-
VII. Loss before tax (V-VI)		(81,392,448)	(23,106,026)
VIII. Tax Expense:			
Current Tax		-	-
IX. Loss for the Period (VII-VIII)		(81,392,448)	(23,106,026)
X. Earnings per Equity share (Rs.)			
Nominal value of share Rs. 10/- (Rs. 10/-)			
- Basic/ Diluted	2.21	(4.32)	(1.23)

Significant Accounting Policies and Notes on Accounts

1&2

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

SAJIV K. MENON
Chairman
DIN : 00168228

Y. MORIOKA
Director
DIN : 06641198

K. MURALEEDHARAN NAIR
Director
DIN : 02421663

T. P. PHILIP
Managing Director
DIN : 00008636

M. R. KARMACHANDRAN
Director
DIN : 00164106

N. V. ASOKAN
Chief Financial Officer

K. L. KUMAR
Director
DIN : 00004804

B. SHAJI MOHAN
Director
DIN : 03409101

ABY EAPEN
Company Secretary

Place: Kochi
Date: 29.04.2015

REVA PROTEINS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For the year ended 31.03.2015 Rupees	For the year ended 31.03.2014 Rupees
A. Cash Flows from Operating Activities		
Net Loss before Tax and extraordinary items	(81,392,448)	(23,106,026)
Adjustments for :		
Depreciation	29,478,450	51,486,611
Interest income	(357,711)	(3,015,047)
Interest Expense	15,272,794	17,889,654
	44,393,533	66,361,218
Operating Profit / (Loss) before Working Capital Changes	(36,998,915)	43,255,192
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	33,713,173	(29,665,039)
(Increase)/Decrease in Inventories	1,877	(1,255,006)
Increase/(Decrease) in Trade/ other payables	48,599,346	1,530,892
	82,314,396	(29,389,153)
Cash generated from /(Used in) Operations	45,315,481	13,866,039
Direct taxes paid	288,206	(2,353,590)
Cash Flow Before Extraordinary Items	45,603,687	11,512,449
Extraordinary Items	-	-
Net Cash from/(used) in Operating Activities(A)	45,603,687	11,512,449
B. Cash Flows from Investing Activities		
Loan to/recovered from Holding Company (Net)	-	29,060,438
Purchase of Fixed Assets	(7,836,374)	(5,851,167)
Interest Received	535,746	3,855,511
Net Cash from/(used) in Investing Activities(B)	(7,300,628)	27,064,782
C. Cash Flows from Financing Activities		
Interest Paid	(15,272,794)	(17,889,654)
Proceeds/Repayment of secured long-term borrowings	(25,004,168)	(24,985,399)
Net Cash from/(used) in Financing Activities (C)	(40,276,962)	(42,875,053)

Summary

(A)Net Cash from/(used) in Operating Activities	45,603,687	11,512,449
(B)Net Cash from/(used) in Investing Activities	(7,300,628)	27,064,782
(C)Net Cash from/(used) in Financing Activities	(40,276,962)	(42,875,053)
Net Increase/(Decrease) in Cash Equivalents	(1,973,903)	(4,297,822)
Cash and Cash Equivalents at beginning of the year	2,819,430	7,117,252
Cash and Cash Equivalents at the end of the year	845,527	2,819,430
	(1,973,903)	(4,297,822)

Note:

1. Cash and cash equivalents at the end of the year includes deposit with maturity of more than one year Rs Nil (Rs 71,984) which can be withdrawn by the company at any time without penalty on principal.
2. Cash and cash equivalents at the end of the year includes deposit with maturity of less than one year Rs 5,00,000 (Rs Nil) under lien, which is not available for the immediate use as on the Balance Sheet date.

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi
Date: 29.04.2015

SAJIV K. MENON
Chairman
DIN : 00168228

Y. MORIOKA
Director
DIN : 06641198

K. MURALEEDHARAN NAIR
Director
DIN : 02421663

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Managing Director
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M. R. KARMACHANDRAN
Director
DIN : 00164106

N. V. ASOKAN
Chief Financial Officer

K. L. KUMAR
Director
DIN : 00004804

B. SHAJI MOHAN
Director
DIN : 03409101

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.

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 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Authorised:		
20,000,000(20,000,000) Equity Shares of Rs.10/- each	200,000,000	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
	188,605,200	188,605,200

Reconciliation of shares outstanding at the beginning and at the end of the financial year

Particulars	As at 31.03.2015		As at 31.03.2014	
	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

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	%	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

Particulars of shares held by Holding Company

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (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

Terms/ Rights attached to Equity Shares

The company has only one class of shares referred to as 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.

2.02 Reserves and Surplus

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Securities Premium	215,407,800	215,407,800
Surplus /(Deficit) in Statement of Profit and Loss		
Opening Balance	(114,729,329)	(91,623,303)
Loss for the year as per Statement of Profit and Loss	(81,392,448)	(23,106,026)
Closing Balance	(196,121,777)	(114,729,329)
	19,286,023	100,678,471

2.03 Long Term Borrowings

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Term Loans		
- from financial institutions (secured)		
Kerala State Industrial Development Corporation Ltd (Refer Note 2.03.01 & 2.03.02)	106,245,832	131,250,000
	106,245,832	131,250,000

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

2.03.02 The loan from the financial institution is repayable in 32 quarterly instalments of Rs 62,50,000 each from 11.09.2012. The loan is secured by exclusive first charge over the entire fixed assets of the company including leasehold assets, both present and future; and by corporate guarantee of holding company, M/s. Nitta Gelatin India Limited.

2.04 Long-term Provisions

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Provision for Employee benefits (see also Note 2.04.01)	453,803	534,320
	453,803	534,320

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	2014-15 (Rupees)	2013-14 (Rupees)
Employers contribution to Provident Fund	544,906	505,578

b. Defined Benefit Plan

Gratuity – Unfunded Obligation

i Actuarial Assumptions	2014-15	2013-14
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	2014-15 (Rupees)	2013-14 (Rupees)
Present value of obligation at beginning of the year	271,959	150,166
Current Service Cost	79,441	107,270
Past Service Cost	-	-
Interest Cost	24,934	16,304
Actuarial (gain)/loss	(119,849)	(1,781)
Benefits Paid	-	-
Present value of obligation at the end of the year	256,485	271,959

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

iv Expenses recognised in the Statement of Profit and Loss	2014-15 (Rupees)	2013-14 (Rupees)
Current Service Cost	79,441	107,270
Interest Cost	24,934	16,304
Actuarial (gain) / loss recognised in the period	(119,849)	(1,781)
Past Service Cost	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	(15,474)	121,793

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	2014-15	2013-14
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	2014-15 (Rupees)	2013-14 (Rupees)
Present value of obligation at beginning of the year	262,361	129,601
Current Service Cost	126,954	139,023
Interest Cost	26,067	15,929
Actuarial (gain)/loss	(87,607)	(22,192)
Benefits Paid	(130,457)	-
Present value of obligation at the end of the year	197,318	262,361

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

iv Expenses recognised in the Statement of Profit and Loss	2014-15 (Rupees)	2013-14 (Rupees)
Current Service Cost	126,954	139,023
Interest Cost	26,067	15,929
Expected return on plan assets	-	-
Actuarial (gain) / loss recognised in the period	(87,607)	(22,192)
Past Service Cost	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	65,414	132,760

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 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Trade Payables (see also Note 2.05.01)	6,103,946	5,207,758
	6,103,946	5,207,758

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 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Current maturities of long term debt (Refer Note 2.03.01)	25,000,000	25,000,000
Other Payables:		
Advance from Customers	36,999,221	-
Claim payable towards materials damaged in processing	10,529,864	-
Statutory dues	105,301	90,385
Deposits	344,138	104,464
Creditors for capital goods	598,828	1,828,978
	73,577,352	27,023,827

Note 2.07 - FIXED ASSETS & CAPITAL WORK IN PROGRESS

(Amount in Rs.)

Particulars	Gross Block (at cost)				Depreciation			Net Block	
	As at 01.04.2014	Additions	Disposals/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the year	Disposals/ Adjust ments	As at 31.03.2015	As at 31.03.2014
FIXED ASSETS:									
(i) Tangible Assets									
Lease hold Land	61,219,210	-	-	61,219,210	2,710,632	618,376	-	57,890,202	58,508,578
	(61,219,210)	-	-	(61,219,210)	(2,092,256)	(618,376)	-	(58,508,578)	(59,126,954)
Building	124,770,389	598,202	-	125,368,591	23,048,082	16,000,556	-	86,319,953	101,722,307
	(120,980,774)	(3,789,615)	-	(124,770,389)	(12,231,439)	(10,816,643)	-	(101,722,307)	(108,749,335)
Plant and Equipment	309,213,273	3,046,561	-	312,259,834	80,173,648	12,289,078	-	219,797,108	229,039,626
	(306,756,763)	(2,456,511)	-	(309,213,274)	(40,283,540)	(39,890,108)	-	(229,039,626)	(266,473,223)
Office Equipment	941,282	426,133	-	1,367,415	409,626	484,939	-	472,850	531,656
	(686,839)	(254,443)	-	(941,282)	(298,316)	(111,310)	-	(531,656)	(388,523)
Furniture and Fixtures	562,821	205,342	-	768,163	356,321	85,501	-	326,341	206,500
	(525,821)	(37,000)	-	(562,821)	(306,147)	(50,174)	-	(206,500)	(219,674)
TOTAL	496,706,975	4,276,238	-	500,983,213	106,698,309	29,478,450	-	364,806,454	390,008,667
PREVIOUS YEAR	(490,169,407)	(6,537,569)	-	(496,706,976)	(55,211,698)	(51,486,611)	-	(390,008,667)	(434,957,709)
(ii) Capital Work in progress									
Plant, machinery and Equipment under installation	1,551,789	3,881,775	1,551,789	3,881,775				3,881,775	1,551,789
	(851,380)	(1,551,789)	(851,380)	(1,551,789)				(1,551,789)	(851,380)
TOTAL	1,551,789	3,881,775	1,551,789	3,881,775	-	-	-	3,881,775	1,551,789
PREVIOUS YEAR	(851,380)	(1,551,789)	(851,380)	(1,551,789)	-	-	-	(1,551,789)	(851,380)

2.07.01 Consequent to Schedule II of the Companies Act, 2013 becoming applicable with effect from 01.04.2014, depreciation for the year has been provided on the basis of useful lives prescribed in the aforesaid Schedule II. As per an independent technical evaluation done by the Company, useful lives of fixed assets are not lower than the lives adopted as per Schedule II. This has an impact of reducing depreciation for the year by an amount of Rs 2,17,78,627/-.

2.08 Non current investments

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Investment in Equity Instruments (at Cost)-Long Term: (Unquoted, trade)		
Narmada Clean Tech. (Formerly known as Bharuch Eco-Aqua Infrastructure 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 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
(Unsecured, Considered Good)		
Security Deposits	13,256,427	14,257,746
Income Tax (Net)	4,356,403	4,644,609
	17,612,830	18,902,355

2.10 Inventories

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Stores and Spares	2,769,754	2,794,194
Loose Tools	104,446	81,883
	2,874,200	2,876,077

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

2.11 Trade Receivables

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (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)	-	32,699,049
	-	32,699,049

2.12 Cash and Cash Equivalents

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Balances with banks:		
in current accounts	335,253	2,714,360
in deposit accounts	500,000	71,984
Cash on hand	10,274	33,086
	845,527	2,819,430

2.12.01 Cash and cash equivalents at the end of the year includes deposit with maturity of more than one year Rs Nil (Rs 71,984) which can be withdrawn by the company at any time without penalty on principal.

2.12.02 Cash and cash equivalents at the end of the year includes deposit with maturity of less than one year Rs 5,00,000 (Rs Nil) held as security against bank guarantee.

2.13 Short Term Loans and Advances

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	427,468	448,172
Deposits	44,175	36,275
	471,643	484,447

2.14 Other Current Assets

Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Interest accrued on Deposits	239,727	417,762
	239,727	417,762

2.15 Revenue From Operations

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Sale of services		
Income from Job charges	77,266,500	126,886,563
	77,266,500	126,886,563

2.16 Other Income

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Interest Income	357,711	3,015,047
Sale of Scrap	244,071	-
Other Income	39,987	132,952
	641,769	3,147,999

2.17 Employee Benefits Expense

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Salaries & Wages	9,758,138	9,715,940
Contribution to Provident and Other Funds	544,906	505,578
Workmen & Staff Welfare Expenses	1,636,324	1,447,317
	11,939,368	11,668,835

2.18 Finance Costs

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Interest Expense	15,272,794	17,889,654
	15,272,794	17,889,654

2.19 Other Expenses

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Power, fuel, water and gas	32,325,569	36,193,295
Consumption of Stores and spare parts	3,163,368	1,242,546
Repairs		
Plant & Machinery (Refer Note 2.28)	5,447,364	5,304,862
Others	4,553,650	1,651,326
Insurance	654,836	614,859
Rates & Taxes	2,132,237	1,830,655
Postage and Telephones	319,418	300,139
Printing & Stationery	155,829	152,951
Travelling & Conveyance	4,206,975	3,211,925
Directors sitting fees	24,000	18,000
Payments to the Auditors (See Note 2.19.01 below)	196,630	168,540
Advertisement and Publicity	10,000	92,012
Professional & Consultancy charges	1,332,041	797,427
Bank charges	15,420	7,877
Contract Labour charges	15,882,903	13,456,537
Security charges	2,429,919	1,956,194
Rent	401,114	747,123
Effluent Discharge Fee	14,089,447	1,843,760
Miscellaneous Expenses	4,739,521	2,505,460
	92,080,241	72,095,488

2.19.01 Payments to the Auditors

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
a. Statutory Audit Fees	125,000	125,000
b. Taxation Matters (Including Tax Audit)	50,000	25,000
c. Service Tax on Above	21,630	18,540
	196,630	168,540

2.20 Exceptional Item

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (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 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Loss for the year	(81,392,448)	(23,106,026)
Weighted average number of equity shares of Rs 10/- each fully paid up	18,860,520	18,860,520
Earnings per Share (Basic & Diluted)	(4.32)	(1.23)

2.22 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.

2.23 Estimated amount of contracts remaining to be executed on capital account and not provided for:- Rs 89,000 (Rs 3,00,000)

2.24 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 .

2.25 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.

2.26 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)
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
Income from Job charges	77,266,500 (126,886,563)			77,266,500 (126,886,563)
Loan Recovered	- (29,060,438)			- (29,060,438)
Expenses recovered	1,218,213 (11,156,020)			1,218,213 (11,156,020)
Expenses reimbursed	3,760,746 (3,201,989)			3,760,746 (3,201,989)
Interest Income	- (1,934,194)			- (1,934,194)
Claim towards materials damaged in processing	10,529,864 -			10,529,864 -
Remuneration to Managing Director			436,425 -	436,425 -

Particulars	Holding Company	Enterprise having substantial interest in the Company	Key Management Personnel	Total
Balance outstanding as at 31.03.2014				
Nitta Gelatin India Limited				
Advance from Customers	36,999,221			36,999,221
	-			-
Claim payable towards materials damaged in processing	10,529,864			10,529,864
	-			-
Corporate Guarantee received	200,000,000			200,000,000
	(200,000,000)			(200,000,000)
Trade Receivable	-			-
	(32,699,049)			(32,699,049)

2.26.01 Particulars of loans given to Holding Company

Particulars	Closing Balance Rupees	Maximum amount outstanding during the year Rupees
Nitta Gelatin India Limited	-	-
	-	(2,90,60,438)

2.27 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.

2.28 Break-up of Consumption

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	%	Amount (Rupees)	%	Amount (Rupees)
Stores & Spares*				
Imported	-	-	-	-
Indigenous	100	7,502,620	100	5,598,936
	100	7,502,620	100	5,598,936
*Debited under Stores and spares consumed		3,163,368		1,242,546
*Debited under Repairs and Maintenance		4,339,252		4,356,390
		<u>7,502,620</u>		<u>5,598,936</u>

2.29 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.

2.29.01 Contingent Liabilities not provided for:

Particulars	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
Bank Guarantees	500,000	-
	500,000	-

2.30 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 report of even date attached

For VARMA AND VARMA
(FRN: 004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi
Date: 29.04.2015

For and on behalf of the Board of Directors

SAJIV K. MENON
Chairman
DIN : 00168228

Y. MORIOKA
Director
DIN : 06641198

K. MURALEEDHARAN NAIR
Director
DIN : 02421663

T. P. PHILIP
Managing Director
DIN : 00008636

M. R. KARMACHANDRAN
Director
DIN : 00164106

N. V. ASOKAN
Chief Financial Officer

K. L. KUMAR
Director
DIN : 00004804

B. SHAJI MOHAN
Director
DIN : 03409101

ABY EAPEN
Company Secretary

This image shows a full page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Walker Chandiook & Co LLP

To
The Board of Directors
Nitta Gelatin India Limited
54/1446, SBT Avenue,
Panampilly Nagar
Cochin - 682 036,
Kerala, India

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
5th Floor, No. 65/2, Block "A",
Bagmane Tridib, Bagmane Tech Park
C V Raman Nagar, Bengaluru 560093
India

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F +91 80 4126 1228

Independent Auditor's Certificate on the proposed accounting treatment included in the Draft Scheme of Merger and Amalgamation arrangement pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, sections 230 to 232 of the Companies Act, 2013 (the 'Act') and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. This certificate is issued in accordance with the terms of our engagement letter dated 05 February 2018.
2. We, the statutory auditors of Nitta Gelatin India Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in Clause 26 of Part IV of the Draft Scheme of Merger and Amalgamation between the Company and Reva Proteins Limited (the 'Transferor Company') and their respective shareholders and creditors (hereinafter referred to as the 'Draft Scheme') in terms of the provisions of Sections 230 to 232 of the Act and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the applicable accounting standards specified under Section 133 of the Act read with relevant rules issued thereunder (the 'applicable accounting standards'), and other generally accepted accounting principles in India.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards read with relevant rules issued thereunder, and other generally accepted accounting principles in India, as aforesaid, is that of the Board of Directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. Our responsibility is only to examine and report whether the accounting treatment in respect of the Transferee Company referred to in Clause 26 of Part IV of the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles in India. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India.

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note'), issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

7. Based on our examination as above and according to the information and explanations given to us, in our opinion, the proposed accounting treatment specified in Clause 26 of Part IV of the Draft Scheme, attached herewith and stamped by us for identification only, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued thereunder and the applicable accounting standards notified by the Central Government under the Companies Act, 2013, read with relevant rules issued thereunder and other generally accepted accounting principles in India.

Restriction on distribution or use

8. This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the provisions of Sections 230 to 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for onward submission to the BSE Limited and National Company Law Tribunal. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Vijay V Singh

per Vijay Vikram Singh

Partner

Membership No. 059139

Bengaluru

28 February 2018



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NITTA GELATIN INDIA LIMITED

Post Box 4262, 54/1446
SBT Avenue, Panampilly Nagar
Cochin-682 036

Annexure I**Compliance Report**

It is hereby certified that the draft scheme of arrangement involving Reva Proteins Limited (Transferor Company) and Nitta Gelatin India Limited (Transferee Company) does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange and the same is in compliance with applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl. No	Reference	Particulars
1	Regulation 17 to 27 of LODR Regulations	Corporate Governance requirements
2	Regulation 11 of LODR Regulations	Compliance of securities laws
Requirements of this Circular		
(a)	Para(I)(A)(2)	Submission of documents to Stock Exchange
(b)	Para(I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities – Not applicable since there is no issue of Equity Shares as part of the scheme of merger since only Redeemable Preference shares are issued by the transferee company which is not intended to be listed on a stock exchange.
(c)	Para(I)(A)(4) (a)	Submission of Valuation Report
(d)	Para(I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para(I)(A)(9)	Provision of approval of public shareholders through e-voting

**Company Secretary****Managing Director**

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Reva Proteins Limited (Transferor Company) and Nitta Gelatin India Limited (Transferee Company) are in compliance with all the Accounting Standards applicable to a Listed Entity.

Chief Financial Officer**Managing Director**



ANNEXURE - J

Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
54/1446 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 3099444, 2317805
Fax : 0484 2310568
Email : ro@nittagelatin.com

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkanad
Cochin - 682 042 India
Tel : 0484 3099333, 2415506
Fax : 0484 2415504
Email : gd@nittagelatin.com

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 3099333, 2719490
Fax : 0480 2719943
Email : od@nittagelatin.com

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

ANNEXURE J

Brief particulars of the Transferee and Transferor companies

Particulars	Transferee Company	Transferor Company
Name of the company	Nitta Gelatin India Limited	Reva Proteins Limited
Date of Incorporation & details of name changes, if any	<p>-30/04/1975</p> <p>-Originally incorporated under the Companies Act, 1956 in the State of Kerala with the name Kerala Chemicals and Proteins Limited (KCPL) on 30.04.1975 with Registration No. 002691 and during the year 2008, the name had been changed to Nitta Gelatin India Limited and continuing its existence under the said name under the Companies Act, 2013 bearing CIN No:L24299KL1975PLC002691.</p> <p>-The Transferee Company is a successful industrial joint venture between Nitta Gelatin Inc., (NGI) Japan (43% Equity Stake) and Kerala State Industrial Development Corporation Limited (KSIDCL) (31.5% Equity Stake) while balance shareholding is distributed amongst public.</p>	<p>- 30/07/2009</p> <p>-Originally incorporated under the Companies Act, 1956 in the state of Kerala on 30.07.2009 with Registration No. 024529 and continuing its existence under the Companies Act, 2013 bearing CIN No:U24295KL2009PLC024529</p> <p>-Transferor Company is a Subsidiary of Transferee Company with 74.6% equity stake and the balance held by Nitta Gelatin Inc. Japan (NGI, Japan). The transferee company is also holding 100% Preference Stake in Transferor Company. The shares of the transferor Company is not listed any stock exchanges.</p>
Registered Office	Registered office at 50 / 1002 Panampilly Nagar Ernakulam, Kerala – 682036.	Registered office at 50 / 1002 Panampilly Nagar Ernakulam, Kerala – 682036.
Brief particulars of the scheme	Scheme of merger is presented under Section 230 to 232 of the Companies Act, 2013 for merger of Transferor Company with the Transferee Company, followed by the dissolution without winding up of the Transferor Company and the consequent cancellation of equity shares as well as Optionally Convertible Preference Shares (OCPS) held by the Transferee Company in the Transferor Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Act, in the manner provided for in the Scheme.	
Rationale for the scheme	(i) Synergy of operations for achieving organization effectiveness and control and achieving economies of scale;	

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For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)

	<ul style="list-style-type: none"> (i) optimal utilization of resources and better working capital management; (ii) overall cost efficiencies; (iii) greater integration and operational synergy; (iv) seamless availability of technical expertise; (v) greater level of synergy in the Goods and Service Tax (GST) regime; (vi) Simplification of corporate structure by reducing the number of legal entities and reorganizing the legal entities in the group structure. (vii) Significant reduction in the multiplicity of legal, regulatory reporting and compliances required at present (viii) Balance sheet becomes stronger; (ix) streamlining the group structure and rationalization; (x) developing stronger base for future growth. 	
Date of resolution passed by the Board of Director of the company approving the scheme	3 rd February, 2018	3 rd February, 2018
Date of meeting of the Audit Committee in which the draft scheme has been approved	3 rd February, 2018	3 rd February, 2018
Appointed Date	1 st April 2017	1 st April, 2017
Name of Exchanges where securities of the company are listed	BSE Limited	Not Listed on any Stock Exchange
Nature of Business	The Company is presently engaged in Manufacturing of Ossein, Gelatin, Collagen peptide, Dicalcium Phosphate, Chitosan, Nutrigold, Seedaide, Cartipep.	The Transferor Company is primarily engaged in the business of manufacturing of limer Ossein, Ossein, Dicalcium Phosphate and 8% dicalcium Phosphate.
Capital before the scheme	<p>Authorised Capital:</p> <p>20,000,000 Equity Shares of Rs 10 each aggregating Rs 200,000,000 and 929,412 Optionally convertible Non-cumulative Preference Share of Rs.170 each aggregating Rs 158,000,040</p> <p>Paid up Capital:</p> <p>9,079,160 Equity shares of ₹ 10 each aggregating Rs 90,79,160 and 929,412 Optionally convertible Non-</p>	<p>Authorised Capital:</p> <p>20,000,000 Equity Shares of Rs 10 each aggregating Rs 200,000,000 and 20,000,000 Optionally convertible Non-cumulative Preference Share of Rs.10 each aggregating Rs 200,000,000.</p> <p>Paid up Capital:</p> <p>18,860,520 Equity shares of ₹ 10 each aggregating Rs</p>



	cumulative Preference Share of Rs.170 each aggregating Rs 158,000,040	180,860,520 and 12,500,000 Optionally convertible Non-cumulative Preference Share of Rs.10 each aggregating Rs 125,000,000.
No. of shares to be issued	No equity shares are issued as part of the Scheme of merger and amalgamation and hence there is no change in equity shareholding but as a consideration of the merger 44,44,444 Redeemable Preference Shares would issued to those of the shareholders as are found to be entitled as on the Record date, other than transferee company ie, NGIL.	
Cancellation of shares on account of cross holding, if any	As the Transferor Company is subsidiary, all investment in the Transferee Company will be cancelled.	As a consideration of merger, redeemable preference shares would be issued to those of the shareholders as are found to be entitled as on the Record date, other than transferee company ie, NGIL.
Capital after the scheme	<p>Authorised Capital:</p> <p>40,000,000 Equity Shares of Rs 10 each aggregating Rs 400,000,000 ; 929,412 Optionally convertible Non-cumulative Preference Share of Rs.170 each aggregating Rs 158,000,040; 20,000,000 Optionally Convertible Preference Shares of Rs 10 each aggregating Rs 200,000,000 and 4444444 Redeemable Preference Shares of Rs 10/- each aggregating Rs 4,44,44,440/-</p> <p>Paid up Capital:</p> <p>9,079,160 Equity shares of ₹ 10 each aggregating Rs 90,079,160 and 929,412 Optionally convertible Non-cumulative Preference Share of Rs.170 each aggregating Rs 158,000,040 and 44,44,444 Redeemable Preference Shares of Rs 10/- each aggregating Rs 4,44,44,440/-</p>	Since transferor company is merged with Transferee Company ,no post merger capital.
Net Worth	(Rs. in crores)	(Rs. in crores)
Pre	139.27	11.19
Post	122.16	NIL
Valuation by independent Chartered Accountant - Name of the	Valuation done by SSPA & Co Chartered Accounts (Firm reg# 128851W), Andheri (W), Mumbai-400058	



valuer/valuer firm and Reg. no.									
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	Valuation Approach		Value per share (INR)				Weight		
	Underlying Asset Approach		1.27				-		
	Income Approach		9.27				1		
	Market Approach		9.79				-		
Fair value per shares	Rs.9.27								
Exchange ratio	One Hundred(100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight(108) Equity shares of RPL of INR 10/- each fully paid-up								
Name of Merchant Banker giving fairness opinion	INGA Capital Limited, Senapati Bapat Marg, Elphinstone(W), Mumbai-400013								
Shareholding pattern	Pre					Post			
	Equity Shares		Preference shares			Equity Shares		Preference shares	
Nitta Gelatin India Limited	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	
Promoter	6,762,520	74.48	929,412	100	6,762,520	74.48	929,412 plus 44,44444	100	
Public	2,316,640	25.52	-	-	2,316,640	25.52	-	-	
Custodian	-	-	-	-	-	-	-	-	
TOTAL	9079160	100	929,412	100	9079160	100	929,412 plus 44,44444	100	
No of shareholders	6420 (31.03.2017)					6408 (01.04.17)			
Shareholding pattern	Pre					Post			
	Equity Shares		Preference Shares						
Reva Proteins	No.of	% of	No.of	%	No. of Shares		% of holding		

Limited	shares	hold ing	Shares	of hol din g		
Promoter	18860520	100	125,000,00 0	100		
Public	-	-	-	-	Merged	
Custodian		-	-	-		
TOTAL	18860520	100	125,000,00 0	100		
No of shareholders			7			
Names of the Promoters	<u>Transferee Company</u> 1. Nitta Gelatin Inc. PAN . AACCN4562F 2. Kerala State Industrial Development Corporation Pan .AAACK9434D			<u>Transferor Company</u> 1. Nitta Gelatin India Limited PAN .AABCK1582H 2. Nitta Gelatin Inc., Japan PAN. AACCN4562F		
Names of the Board of Directors	1. Mr. T. K Jose, IAS (Chairman) DIN. 01750512 2. Mr. Koichi Ogata DIN. 07811482 Passport No.TK7560260 3. Mrs. Beena Mahadevan, IAS DIN.03483417 PAN.AIEPM6151A 4. Mr. Karunakaran Nair Appukuttan DIN. 00009148 PAN. ACGPA6768B 5. Mr. Kumarapanicker Lalitha Kumar DIN.00004804 PAN.AEYPK0964K 6. Mr. Radha Unni DIN . 03242769 PAN.AAAPU1518P			1.Mr Sajiv Menon(Chairman) DIN.00168228. PAN.AEQPK9901A 2.Mr. Kumarapanicker Lalitha Kumar DIN. 00004804 PAN.AEYPK0964K 3.Mr. Vijayan Menon DIN. 01141134 PAN.AEJPM6813J 4.Mr Binilkumar Mattappillil Thankappan DIN.03161942 PAN. AEVPB8767J. 5.Mr. Bhargaviamma Shajimohan. DIN.03409101 PAN. AFAPS6048H		



	<p>7. Mr. Naotoshi Umeno DIN.06976100</p> <p>8. Mr. Kaduthanathu Cherian Varghese DIN. 01870530 PAN: ABNPV1489J</p> <p>9. Mr. Raymond Merz DIN. 07498918</p> <p>10. Mr. Shinya Takahashi DIN. 07809828 Passport No. 000TR6082067</p> <p>11. Mr. Sajiv Menon(M D) DIN. 00168228 PAN. AEQPK9901A</p>	<p>6. Mr. Sahasranaman Parameswaran DIN.07644126 PAN. ATLPS0019F</p> <p>7. Mr Shinya Takahashi DIN.07809828 Passport No.000TR6082067</p> <p>8. Mr M A Xavier (M D) DIN. 07117456</p>
Please specify relation among the companies involved in the scheme, if any	Holding Company	Subsidiary Company
Details regarding change in management control if any	No change in management control	

For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary

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ANNEXURE-K

Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
54/1446 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 3099444, 2317805
Fax : 0484 2310568
Email : ro@nittagelatin.com

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkanad
Cochin - 682 042 India
Tel : 0484 3099333, 2415506
Fax : 0484 2415504
Email : gd@nittagelatin.com

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 3099333, 2719490
Fax : 0480 2719943
Email : od@nittagelatin.com

CIN: L24299KL1975PLC002691

Website : www.gelatin.in

TO WHOMSOEVER IT MAY CONCERN

We do hereby certify that the indicative unaudited network (pre-merger and Post-Merger) of the M/s. Nitta Gelatin India Limited (NGIL) being the Transferee company, having the registered office at SBT Avenue, Panampilly Nagar, Kochi - 36. as on 31st March 2017 is as given below.


Nitta Gelatin India Limited (NGIL)

SL No.	Particulars	NGIL (Premerger) Rs.	Impact Pursuant to Merger Rs.	NGIL (Post-merger) Rs.
1	Total Assets	2,42,20,73,261	56,37,54,151	2,98,58,27,412
2	Less: Total Liabilities	1,02,93,59,947	45,17,78,771	1,48,11,38,718
3	Net Assets	1,39,27,13,314	11,19,75,380	1,50,46,88,694
4	Less: Carrying value of cancelled investments in transferor company	-	23,86,09,002	23,86,09,002
5	Less: Preference shares to be issued to Nitta gelatin Inc, Japan to settle their stake in transferor company	-	4,44,44,444	4,44,44,444
6	Net worth	1,39,27,13,314	(17,10,78,066)	1,22,16,35,248

Alternatively, the above mentioned net worth can be illustrated as below

SL No.	Particulars	NGIL (Premerger) Rs.	Impact Pursuant to Merger Rs.	NGIL (Post-merger) Rs.
1	Share Capital	9,07,91,600	-	9,07,91,600
2	Other Equity	6,26,32,146	-	6,26,32,146
3	Surplus	15,15,71,049	-	15,15,71,049
4	Securities Premium	28,95,90,000	-	28,95,90,000





5	Special Export Reserve	79,00,000	-	79,00,000
6	General reserve	78,36,64,400	(17,10,78,066)	61,25,86,334
7	Other Comprehensive Income Reserve	65,64,119	-	65,64,119
8	Networth	1,39,27,13,314	(17,10,78,066)	1,22,16,35,248

Networth of M/s.Reva Protien Limited (RPL)

We further certify that the indicative unaudited pre-Merger networth of M/s. Reva Proteins Limited (RPLL) being the Transferor company having Registered office at SBT Avenue, Panampilly Nagar, Kochi - 36 as on 31st March 2017 is as given below:

SL No.	Particulars	RPL (Premerger) Rs.
1	Total Assets	56,37,54,151
2	Less: Total Liabilities	45,17,78,771
3	Net Worth	11,19,75,380

Alternatively, the above mentioned net worth can be illustrated as below

SL No.	Particulars	RPL (Premerger) Rs.
1	Share Capital	18,86,05,200
2	Other Equity	8,05,24,268
3	Accumulated Losses	(37,25,61,888)
4	Securities Premium	21,54,07,800
5	Networth	11,19,75,380

For NITTA GELATIN INDIA LIMITED



Sahasranaman
P. Sahasranaman

DY. GENERAL MANAGER (F&A)



ANNEXURE - L1

Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
54/1446 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
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OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 3099333, 2719490
Fax : 0480 2719943
Email : od@nittagelindia.com

CIN: L24299KL1975PLC002691

Website : www.gelatin.in

ANNEXURE L1

Details of Capital evolution of the transferee/resulting and transferor/demerged companies:

a. Details of Capital evolution of the transferee company

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
22.04.1975	7	10 each	Subscribers to MOA	7	Not incorporated as listed company
31.03.1976	Less unpaid 7	10 each	-	0	-
17.02.1979	11,76,000	10 each	Public issue	11,76,000	Listed
17.02.1979	2,2,4000	10 each	Follow on issue	14,00,000	Listed
24.10.1992	7,00,000	10 each	Bonus issue	21,00,000	Listed
18.11.1997	21,00,000	10 each	Bonus issue	42,00,000	Listed
15.09.1998	42,00,000	10 each	Rights issue	84,00,000	Listed
29.05.2013	5,79,160	10 each	Bonus issue	89,79,160	Listed
29.05.2013	1,00,000	10 each	ESPS	90,79,160	Listed



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For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary



ANNEXURE- L2

Reva Proteins Limited

Regd. Office: 54/1446
SBT Avenue, Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 2317805, 3099444
Fax : 0484 2310568
E-mail : general@revaproteins.com

Plot No. 832
GIDC Industrial Estate
Post Bag No. 37
Jhagadia P.O., Bharuch Dist.
Gujarat - 393 110, India
E-mail : projects@revaproteins.com

ANNEXURE L2

b. Details of Capital evolution of the transferor company

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
23.07.2009	50,000	10	Subscribers to MOA	50,000	Not listed
17.03.2010	44,50,000	10	Right issue	45,00,000	Not listed
01.11.2012	1,43,60,520	10	Rights issue	1,88,60,520	Not listed

For REVA PROTEINS LIMITED

G. RAJESHKURUP
Company Secretary





ANNEXURE- M

Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

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Email : gd@nittagelatin.com

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 3099333, 2719490
Fax : 0480 2719943
Email : od@nittagelatin.com

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

28.02.2018

ANNEXURE M

The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400001.

Dear Sir,

Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of Merger and Amalgamation.

In connection with the above application, we hereby confirm that:

- a) The proposed scheme of amalgamation/ arrangement/merger/reconstruction/ reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Companies Act, 2013, the rules, regulations and guidelines made under these Acts, and the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 or the requirements of BSE Limited.
- b) In the explanatory statement to be forwarded by the company to the shareholders u/s 230 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose:
 - i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern and
 - ii) the "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuers for the company and unlisted company.
 - iii) Information about unlisted companies involved in the scheme as per the format provided in Part D of Schedule VII of the ICDR Regulations, if applicable. - Not applicable
 - iv) The Complaint report as per Annexure III.
 - v) The observation letter issued by the stock exchange
- c) The draft scheme of amalgamation/ arrangement together with all documents mentioned in Para I(A)(7)(a) of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017, has been disseminated on company's website as per Website link given hereunder:

Web link : <http://gelatin.in/merger>



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G. RAJESH KURUP (ACS No. 8453)

Company Secretary

FOR NITTA GELATIN INDIA LIMITED

- d) The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- e) The company shall obtain shareholders' approval by way of special resolution passed through postal ballot/ e-voting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.
- f) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filed by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- g) There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation/ arrangement.

Yours faithfully
For Nitta Gelatin India Limited


Company Secretary

Date: 28.02.2018



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ANNEXURE-N

जारी करने वाली इकाई भारतीय स्टेट बैंक
Issuing Branch: COMMERCIAL BRANCH, ERNAKULAM
कोड क्र. / CODE No: 04082
Tel No: 0484-2340027

मांगड्राफ्ट DEMAND DRAFT

Key: QUHLAY
Sr. No: 548550

0103201
D D M M Y Y Y

मांगे जानेपर BSE LIMITED *****

या उनके आदेश पर

ON DEMAND PAY

OR ORDER

रुपये RUPEES Ninety Four Thousand Four Hundred Only

अदा करें ₹ 94400.00

IOI 000458978098

Key: QUHLAY

Sr. No: 548550

AMOUNT BELOW 94401(9/5)

मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक

STATE BANK OF INDIA

अदाकर्ता शाखा / DRAWEE BRANCH: MUMBAI MAIN BRANCH

कोड क्र. / CODE No: 00300

प्राधिकृत हस्ताक्षरकर्ता

AUTHORISED SIGNATORY

शाखा प्रबंधक

BRANCH MANAGER

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध
VALID ONLY IF COMPUTER PRINTED

केवल 3 महीने के लिए वैध
VALID FOR 3 MONTHS ONLY

₹ 1,50,000/- एवं अधिक के लिखित दो अधिकारियों द्वारा हस्ताक्षरित होने पर ही
INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO

978098 0000020001: 000458 16

जारी करने वाली इकाई भारतीय स्टेट बैंक
Issuing Branch: COMMERCIAL BRANCH, ERNAKULAM
कोड क्र. / CODE No: 04082
Tel No: 0484-2340027

मांगड्राफ्ट DEMAND DRAFT

Key: YABGOZ
Sr. No: 559796

2302201
D D M M Y Y Y

मांगे जानेपर BSE LIMITED *****

या उनके आदेश पर

ON DEMAND PAY

OR ORDER

रुपये RUPEES One Lakh Eighteen Thousand Only

अदा करें ₹ 118000.00

IOI 000458978082

Key: YABGOZ

Sr. No: 559796

AMOUNT BELOW 118001(1/6)

मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक

STATE BANK OF INDIA

अदाकर्ता शाखा / DRAWEE BRANCH: MUMBAI MAIN BRANCH

कोड क्र. / CODE No: 00300

प्राधिकृत हस्ताक्षरकर्ता

AUTHORISED SIGNATORY

शाखा प्रबंधक

BRANCH MANAGER

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध
VALID ONLY IF COMPUTER PRINTED

केवल 3 महीने के लिए वैध
VALID FOR 3 MONTHS ONLY

₹ 1,50,000/- एवं अधिक के लिखित दो अधिकारियों द्वारा हस्ताक्षरित होने पर ही
INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO

978082 0000020001: 000458 16

For NITTA GELATIN INDIA LIMITED

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G. RAJESH KURUP (ACS No. 8453)
Company Secretary



ANNEXURE- O

जारी करने वाली भारतीय स्टेट बैंक Issuing Branch: COMMERCIAL BRANCH, ERNAKULAM कोड नं. / CODE No: 04062 टेली नं. / TEL No: 6484-2340027		मांगद्राफ्ट DEMAND DRAFT		Key: VIDDEV Sr. No: 42447	2 3 0 2 2 0 1 D D M M Y Y Y
मांगे जाने पर SECURITIES AND EXCHANGE BOARD OF INDIA					या उनके आदेश पर OR ORDER
ON DEMAND PAY रुपये RUPEES Three Lakh Forty Six Thousand Twenty Only					
अदा करें ₹ 346020.00					
IOI 000458978083	Key: VIDDEV	Sr. No: 42447	AMOUNT BELOW 346021(3/6)		मूल्य प्राप्त / VALUE RECEIVED
भारतीय स्टेट बैंक STATE BANK OF INDIA अदाकर्ता शाखा / DRAWEE BRANCH: MUMBAI MAIN BRANCH कोड नं. / CODE No: 00300		प्राधिकृत हस्ताक्षरकर्ता AUTHORIZED SIGNATORY शाखा प्रबंधक BRANCH MANAGER		16526 Sreevalsan P. (S-16526)	
कंप्यूटर द्वारा मुद्रित होने पर ही वैध VALID ONLY IF COMPUTER PRINTED		केवल 3 महीने के लिए वैध VALID FOR 3 MONTHS ONLY			

978083 00000 2000: 000458 16



For NITTA GELATIN INDIA LIMITED

G. RAJESH KURUP (ACS No. 8453)
Company Secretary

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