Reva Proteins Limited

CIN No. : U24295KL2009PLC024529

Annual Report 2017 - 18

BOARD OF DIRECTORS

Chairman	:	**SAJIV K. MENON**
Directors	:	**SHINYA TAKAHASHI**
	:	**K. L. KUMAR**
	:	**VIJAYAN MENON**
	:	**M. T. BINIL KUMAR**
	:	**B. SHAJI MOHAN**
	:	**P. SAHASRANAMAN**
Managing Director	:	**M. A. XAVIER**
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

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of Reva Proteins Limited will be held on **Thursday, 02.08.2018 at 3.00 p.m, at the Registered Office of the Company at Panampilly Nagar, Ernakulam, Kochi-682 036** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Statement of Profit and Loss and Cash Flow Statement for the period ended 31st March 2018, the Balance Sheet as at 31st March 2018, and the Auditors' Report thereon.

2. To appoint directors in place of Mr. Shaji Mohan and P. Sahasranaman, who retire by rotation and being eligible, offer themselves for re-appointment.

3. To appoint Auditors and to fix their remuneration and in this connection to pass with or without modification , the following resolution:

RESOLVED THAT pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and pursuant to the decision taken by the shareholders at the Annual General Meeting held on 08.07.2014,for appointment of M/s Varma & Varma, Chartered Accountants(FRN 004532S) as Statutory Auditors for a term of five years till conclusion of the Annual General Meeting relating to the FY 2019-20, be ratified by the shareholders of the Company with respect to said tenure for the financial year 2018-19 on a remuneration that may be fixed by the Board of Directors.

SPECIAL BUSINESS

4. Appointment of Mr. M.A. Xavier (DIN 07117456) as Managing Director of the Company

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

RESOLVED THAT pursuant to the recommendation of the Nomination Committee and approval of the Board and subject to the provisions of sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) approval be accorded to the appointment of Mr. M.A. Xavier (DIN No. 07117456) as Managing Director from 05.02.2018 to 30.04.2020, on the following terms and conditions :-

1	Basic Salary	:	Rs. 85,850/- per month
2	Special Allowance	:	Rs. 65,770/- per month
3	Deputation Allowance	:	Rs. 34,000/- per month
4	Utility Allowance	:	Rs. 2,500/- per month
5	Children's Education Allowance	:	Rs. 1,000/- per month
6	Mobile Phone charges official purpose	:	Reimbursement of actual expenses incurred for
7	Washing Allowance	:	Rs. 1,000/- per month
8	Food Subsidy	:	Rs. 1,250/- per month
9	Leave Travel Allowance	:	Rs. 42,925/- Annual.
10	Medical Allowance	:	Rs. 85,850/- annual (being 8.33% of the Basic Pay)
11	Personal Accident Policy	:	Annual premium not to exceed Rs. 4,000/-
12	Leave	:	Leave benefits as applicable in NGIL.

13	Performance Incentive	:	Rs. 4,71,672/- per year based on 100% as per scheme.
14	Superannuation	:	13% of Basic salary
15	Provident Fund	:	12% of Basic salary
16	Gratuity	:	4.8% of Basic salary

For the Managing Director's stay in Reva Proteins Ltd., furnished accommodation and Car with driver for official use shall be provided by the Company.

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.

6. Approval of Related Party Transactions

To consider and if thought fit to pass with or without modifications, the following resolution as a special 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 subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company by way of a special 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 M/s. Nitta Gelatin India Limited to sale, purchase, or supply of any goods or material and to avail or render any service of any nature, whatsoever, as the Board in its discretion deems proper, subject to complying with the procedures to be fixed by the Board or its committee, upto an amount as per the terms and conditions mentioned under Explanatory Statement as already entered and proposed transactions 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 such acts, things, deeds, matters, that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.

By order of Board

Kochi — G. Rajesh Kurup

03.05.2018 — Company Secretary

NOTES

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll on his behalf and a proxy need not be a member. The proxy forms duly completed, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item 4 Appointment of Mr. M.A. Xavier as Managing Director of the Company

Mr. M.A. Xavier as nominee of Nitta Gelatin India Ltd was hitherto the Managing Director of Bamni Proteins Limited. Upon resignation and vacation of office by Mr. Noriyuki Tsuji with effect from 02.02.1018 Mr. M.A. Xavier on appointment by the Board of Directors at their meeting dated 02.02.2018 took over as Managing Director of the Company with effect from that date on such terms and conditions herein above given as part of the Resolution, pursuant to recommendation by the Nomination and Remuneration Committee of Directors at their meeting of even date.

No other Director, Key Managerial Personnel and their relatives except Mr. M.A. Xavier is concerned or interested in the resolution

Item No. 5 Approval of Related Party Transactions

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 governs the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned therein, the related party(s), the Company must obtain the prior approval of the Board of Directors.

As per the provisions of Section 188 of the Companies Act, 2013 and Rules there under, if the value of the sale transactions together with the value of transactions entered so far exceeds 10% of the turnover of the company as per the previous Audited financial statement in respect of the related party or Rs. 100 Crores whichever is lower, the company has to obtain prior approval of shareholders by way of Special Resolution.

Further, third proviso of section 188 (1) provides that nothing in that subsection 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.

In the light of the provisions of the Act, the Board has approved the proposed transactions along with the limits that the company may enter into with its Related Parties for the period 01.04.2018 to 30.09.2019.

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

1. Name of Related Party : Nitta Gelatin India Limited
2. Director / KMP Related : Mr. Sajiv K. Menon, Mr. B. Shaji Mohan. Mr. P. Sahasranaman
3. Nature of Relationship : Holding Company
4. Nature of Transaction :Independent commercial transaction involving sales of Ossein and Limed Ossein.
5. Period of Transaction : 01.04.2018 to 30.09.2019
6. Maximum value of Transaction : Rs. 80 Crores

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 Special 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.

Statement given under the provisions of Section II , Part II of Schedule V of the Companies Act, 2013

I GENERAL INFORMATION

(1) **Nature of Industry:** The Company is manufacturer of Ossein and Dicalcium Phosphate

(2) **Date or expected date of commencement of commercial production:** The company was incorporated on 30.07.2009.

(3) **In case of new companies, expected date of commencement of activities as per project approved by the financial institute appearing in the prospectus:** N.A

(1) **Export performance and net foreign exchange collaborations:**

NIL

(2) Foreign investment or collaborators, if any: Foreign collaboration of Nitta Gelatin Inc., Japan, a leading global Gelatin manufacturer. NGI holds 25% in the Equity of the company

II INFORMATION ABOUT THE APPOINTEE

1. **Background details:** Mr. M. A. Xavier an Engineer by profession was hitherto under deputation from Nitta Gelatin India Ltd, as Managing Director of Bamni Proteins Ltd, Maharashtra. Consequent to resignation by Mr. Noriyuki Tsuji, Mr. M. A. Xavier took over as Managing Director of the Company. Since RPL is in the Ossein and Gelatin Industry, manufacturing and selling pharma and edible grade gelatin and Ossein, the experience of Mr. M. A. Xavier shall augur well for functional operation of Company.
2. **Past remuneration drawn:** Nil
3. **Recognition/Awards/Achievements:** Mr. M.A. Xavier a Chemical Engineer by profession had long experience working as the General Manager/Division head of the Gelatin unit of Nitta Gelatin India Ltd.
4. **Job Profile and his suitability:** Mr. M.A. Xavier would exercise substantial executive power, under the control and direction of the Board of Directors of the company. He is responsible for overall operation and working affairs of the company. He is managing under his direct control, the core departments of the company viz. production, marketing, accounts, and purchase. Considering his experience and ability to skillfully coordinate all the departments for the growth of the company, his is best suited for the responsibility as Managing Director of the company.
5. **Remuneration proposed:** The remuneration payable is outlined in item 1 of the Explanatory Statement to the Notice for the AGM.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The proposed remuneration is comparatively lower than the similar designated/ positioned executives in the industry.
7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:** Mr. M.A. Xavier does not have any other direct or indirect pecuniary relationship with the management..

III OTHER INFORMATION

1. Reasons of loss or inadequate profits:

During the financial year 2017-18, the company has registered lower profits on account of the following factors:

a) lower utilization of capacity for want of permission for discharge of effluent from the Pollution Control authorities.

The Company has taken several steps to address the adverse situations These initiatives are expected to significantly contribute to increase in volumes and profitability in the near future.

IV DISCLOSURE

1. A draft resolution and detailed explanatory statement about the re-appointment and remuneration of Mr. M.A. Xavier is presented under the Notice convening the ensuing Annual General Meeting.

   Except, Mr. M.A. Xavier, none of the Directors are concerned or interested in the resolution.

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Ninth Annual report and the Audited Accounts of the Company for the year ended 31st March 2018.

The Accounts have been drawn up in accordance with Indian Accounting Standards (Ind AS) as required by the Companies Act, 2013.

FINANCIAL HIGHLIGHTS. **Rs. In Lakhs**

	2017-18	2016-17
Sales / revenue from operations	2632.64	3292.84
Other income	30.46	51.82
Profit /(Loss) before interest and depreciation	(720.62)	(283.49)
Less: Interest	308.78	337.23
Profit/(Loss) before depreciation	(1029.4)	(620.72)
Less : Depreciation	(240.92)	(251.15)
Net Profit/(Loss)	1270.33	871.87
Other comprehensive loss	(1.27)	(0.49)
Total comprehensive loss for the year	(1271.59)	(872.36)

REVIEW OF OPERATIONS

The gross revenue from operations of your Company during the year under review was Rs. 2632.63 lakhs as against Rs. 3292.84 lakhs. The Company incurred a loss of Rs. 1270.32 Lakhs as against a loss of Rs. 871.87 Lakhs in the previous year. The main reason for loss is the lower utilization of capacity for want of effluent permission from the Pollution Control Authorities for discharge of treated effluent.

Though the marine pipeline was commissioned after pressure testing in the month of January 2017, Gujarat Pollution Control Board's approval for the marine pipeline as well as the amendment in the norms for Reva Proteins Ltd. for such marine discharge could be obtained only in the month of June 2017. In addition, following the maintenance in marine pipeline, due to high ammoniacal nitrogen in the effluent stream, capacity utilisation was severely affected during the year from July 2017 to December 2017. From January 2018 onwards the Company has stepped up the production level to near capacity levels.

DIRECTORS

Mr. Noriyuki Tsuji, who was appointed as Managing Director of the Company with effect from 01.01.2017, had resigned from service consequent on reverting to the services of NGI, Japan. Mr. M. A. Xavier who was Managing Director of Bamni Proteins Ltd. was appointed at the Board Meeting dated 02.02.18 as the Managing Director of the company upto 30th April, 2020.

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. Shaji Mohan and Mr. P. Sahasranaman, Directors, may retire at the 9th Annual General Meeting, and being eligible, 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. 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.

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 01.04.2017 to 31.03.2018 are furnished as Annexure I 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 Employee 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.

MERGER WITH NITTA GELATIN INDIA LIMITED

During the year, the Board of Directors has approved the proposal to merge the entire business undertaking of the Company with the holding Company, Nitta Gelatin India Ltd. which is subject to necessary approvals of shareholders and creditors of both Companies and the National Company Law Tribunal (NCLT), in view of the weak financial position of the Company as well as the various synergies out of the said merger. Company has applied to BSE for their approval on the scheme of merger which is pending with them for disposal as of now.

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
03.05.2018

Sajiv K. Menon
Chairman

Annexure I

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 : 01.04.2017 to 31.03.2018
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
(i) Processing charges – NIL
(ii) a. Sale of goods to Nitta Gelatin India Limited – Rs. 9,24,44,918/-
b. Sale of goods to Nitta Gelatin Inc. – Rs. 11,82,25,377/-
c. Purchase of goods – Nitta Gelatin India Limited – Rs. 94,813/-
d. Support service charges paid – Rs. 13,53,600/-
e. Guarantee Commission paid – Rs. 11,29,500/-
f. Interest on borrowings paid (Nitta Gelatin Inc.) – Rs. 87,86,974/-
g. Trade advance received – Rs. 7,66,86,253/-
(iii) Date(s) of approval by the Board, if any : 28.07.2016, 20.10.2017, 02.02.2018, 03.02.18, 03.05.18
(f) Amount paid as advances, if any: NIL
(g) Trade advance received outstanding as at 31.03.2018 (Nitta Gelatin India Ltd. – Rs. 7,89,17,567/-
(h) Trade advance received outstanding as at 31.03.2018 (Nitta Gelatin Inc. – Rs. 7,66,86,253/-
(i) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:.

For and on behalf of the Board,

Kochi
03.05.2018

Sajiv K. Menon
Chairman

ANNEXURE II

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 500 KVR Addl Capacitor for increasing the power factor.

(b) Proposal for energy saving during the Year 2018 -19

1. Steam Pump for pumping condensate in dryer
2. Direct line from discharge pump to RVDF spray
3. Using cooling tower to cool make up water to Chiller
4. VFD for DCP Bin Blower

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. 1182.23	- 1400.51
b.	Rs. 00.00	

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

				Current Year 2017-2018	Previous Year 2016-2017
A.	Power & Fuel Consumption				
	1	Electricity			
		(a)	Purchased		
			Units (KWH in Lacs)	38.95	43.54
			Total Amount (Rs. In lacs)	299.15	327.62
			Rate / Unit (Rs.)	7.6895	7.52
		(b)	Own generation		
			(i) Through Diesel Generator Units (KWH in lacs)	-	-
			Unit per litre of diesel oil	-	-
			Cost per unit (Rs.)	-	-
			(ii) Through steam turbine / generator		
	2	Coal / Lignite			
			Quantity (MT)	2225.3479	2400.88
			Total cost (Rs. in lacs)	108.94	101.14
			Average Rate (Rs./MT)	4895.59	4213
B	Consumption per unit of production:				
		Product - Ossein			
		1	Electricity (KWH/MT)	2430.63	2103
		2	Coal / Lignite (MT/MT)	1.19	1.03
		Product - Di Calcium Phosph ate			
		1	Coal / Lignite (MT/MT)	0.612492	0.79

ANNEXURE I

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[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, 2017]				No. of Shares held at the end of the year [As on 31st March, 2018]				% 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**	**188605201**	**188605201**	**100**	**Nil**	**188605201**	**188605201**	**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**	**188605201**	**188605201**	**100**	**Nil**	**188605201**	**188605201**	**100**	**Nil**

ii) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2017)			Share holding at the end of the year (As on 31st March, 2018)			% 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 Share holding 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	Binilkumar Mattappillil Thankappan				
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%
3	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	-	-	-
c)	At the end of the year	-	-		
4	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	-	-	-	-
5	Vijayan Menon				
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	-	-	-	-
6	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	-	-	-	-
7	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	-	-	-	-

8	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	-	-	-	-
9	Harikumar 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	-	-	-	-
10	Tejalkumar Rameshchandra Mehta ##				
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	Shinya Takahashi @				
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	Mattathil Antony Xavier**				
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	-	-	-	-

*cessation on 05/02/2018
**appointed on 02/02/2018
#cessation on 28/07/2017
##appointed on 28/07/2017
@appointed on28/07/2017

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	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the financial year				

i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

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 Noriyuki Tsuji*	Name of WTD-Shri M.A. Xavier**	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1845848	456766	2302614
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	23130	31000	54130
	(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)	**1868978**	**4877661**	**2356744**
	Ceiling as per the Act			

*cessation upto 04/02/2018
** cessation w.e.f 5/2/2018

B. Remuneration to other directors : NIL

(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						
	Commission	-					
	Others, please specify	-					
	Total (1)						
2	Other Non-Executive Directors	Sajiv K. Menon	Sahasranaman Parameswaran	Shinya Takahashi*	Bhargaviamma Shaji Mohan	Binilkumar Mattappillil Thankappan	Total Amount
	Fee for attending board committee meetings	Nil	Nil	Nil			Nil
	Commission	Nil	Nil	Nil			Nil
	Others, please specify	Nil	Nil	Nil			Nil
	Total (2)	**Nil**	**Nil**	**Nil**			
	Total (B)=(1+2)						
	Total Managerial Remuneration (A+B)						
	Overall Ceiling as per the Act						

* appointed on 28/07/2017

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
03.05.2018

Sajiv K. Menon
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Reva Proteins Limited, Kochi

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Reva Proteins Limited("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the State of affairs (financial position), loss(financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and changes in the equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

(a) Note No.2.12.01 to the financial statements, which states that in view of the revised business plans of the company, which is expected to bring in positive cash flows in the near future and the proposed amalgamation with the holding company which is pending final approval of National Company Law Tribunal, the management is of the opinion that there are no uncertainties which might affect the entity's ability to continue as a going concern.

(b) Note No. 2.01.02 to the financial statements, which states that based on an impairment testing of the carrying value of Property, Plant and Equipment carried out by the management as at 31st March, 2018, in the manner prescribed in Ind AS 36 - Impairment of Assets, there is no impairment in the value of the Property, Plant and Equipment of the company to be recognised at this stage.

Our opinion is not modified in respect of this matter.\

Report on Other Legal and 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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act,based on our audit, we report to the extend 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.

(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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 with reference to the financial statements reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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
CHARTERED ACCOUNTANTS
Membership No. 214435

Place: Kochi
Date: 03-05-2018

ANNEXURE A 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 2018

1. (a) The Companyis 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 72,70,128/-) as stated in Note No 2.04.1 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, 2018.

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 2.28.1 to the financial statements, Remuneration to Mr. M A Xavier (appointed as Managing Director w.e.f 05-02-2018) aggregating to Rs 3,50,324/-, 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 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 2.28to the financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.

15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

For VARMA AND VARMA
(FRN : 004532S)

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

Place: Kochi
Date: 03-05-2018

ANNEXURE 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 2018

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 system with reference to financial statements reporting of Reva Proteins Limited ("the Company") as of March 31, 2018 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 with reference to financial statements 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls system with reference to financial statements 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 system with reference to financial statements 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 with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 with reference to financial statements reporting.

Meaning of Internal Financial Controls with reference to Financial Statements Reporting

A company's internal financial controls system with reference to financial statements reporting is a process designed to provide reasonable assurance regarding the reliability of financial statement reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls system with reference to financial statements 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 With Reference to Financial Statements Reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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 with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements 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

Date: 03-05-2018

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

REVA PROTEINS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2018

	Particulars	Note No.	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
I.	**ASSETS**				
	1. Non-current assets				
	a. Property, Plant and Equipment	2.01	305,190,664	297,994,894	302,207,864
	b. Capital work-in-progress	2.01	82,629	18,702,856	14,109,090
	c. Other Intangible assets	2.01	1,551,404	2,049,972	-
	d. Intangible assets under development	2.01	-	-	1,688,947
	e. Financial assets				
	i. Investments	2.02	4,140,000	4,140,000	3,540,000
	ii. Loans	2.03	17,378,156	15,785,193	16,385,193
	f. Other non-current assets	2.04	57,131,254	60,672,481	61,168,443
	Total Non-current assets		**385,474,107**	**399,345,396**	**399,099,537**
	2. Current assets				
	a. Inventories	2.05	47,428,689	101,546,919	3,195,559
	b. Financial assets				
	i. Trade Receivables	2.06	7,432,250	1,286,493	5,658,376
	ii. Cash and cash equivalents	2.07	12,561,621	4,510,412	3,800,269
	iii. Bank Balances other than (ii) above	2.08	29,908,257	45,485,641	70,914,144
	iv. Loans	2.09	239,850	115,850	107,350
	c. Other current assets	2.10	6,977,320	2,902,220	1,249,371
	Total current assets		**104,547,987**	**155,847,535**	**84,925,069**
	Total Assets		**490,022,094**	**555,192,931**	**484,024,606**
II.	**EQUITY AND LIABILITIES**				
	1. Equity				
	a. Equity share capital	2.11	188,605,200	188,605,200	188,605,200
	b. Other equity	2.12	(200,431,009)	(73,222,909)	14,013,187
	Total Equity		**(11,825,809)**	**115,382,291**	**202,618,387**
	2. Non-current liabilities				
	a. Financial liabilities				
	i. Borrowings	2.13	229,521,418	259,797,722	250,144,477
	b. Provisions	2.14	1,752,961	1,129,449	765,383
	Total non-current liabilities		**231,274,379**	**260,927,171**	**250,909,860**
	3. Current liabilities				
	a. Financial liabilities				
	i. Borrowings	2.15	47,452,976	24,362,349	-
	ii. Trade Payables	2.16	50,623,947	70,229,173	8,888,018
	iii. Other financial liabilities	2.17	43,247,517	30,005,243	20,876,630
	b. Other Current Liabilities	2.18	129,249,084	54,286,704	731,711
	Total current liabilities		**270,573,524**	**178,883,469**	**30,496,359**
	Total liabilities		**501,847,903**	**439,810,640**	**281,406,219**
	Total equity and liabilities		**490,022,094**	**555,192,931**	**484,024,606**

Significant accounting policies and key accounting estimates and judgements 1

The accompanying notes form an integral part of the financial statements.

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 : 03/05/2018

For and on behalf of the Board of Directors

SAJIV K. MENON
Chairman
DIN : 00168228

M.A. XAVIER
Mananging Director
DIN : 07117456

Dr. SHINYA TAKAHASHI
Director
DIN : 07809828

K. L. KUMAR
Director
DIN : 00004804

VIJAYAN MENON
Director
DIN : 01141134

M.T. BINIL KUMAR
Director
03161942

P. SAHASRANAMAN
Director
DIN : 07644126

G. RAJESH KURUP
Company Secretary

REVA PROTEINS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars	Note No	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
	INCOME			
I.	Revenue from operations	2.19	263,263,627	329,283,879
II.	Other Income	2.20	3,046,454	5,182,064
III.	**Total Income (I+II)**		**266,310,081**	**334,465,943**
IV.	**EXPENSES**			
	a. Cost of materials consumed	2.21	132,057,594	288,107,070
	b. Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.22	39,692,071	(73,442,962)
	c. Employee benefits expense	2.23	22,400,282	19,642,541
	d. Finance costs	2.24	30,925,934	33,722,756
	e. Depreciation and amortisation expense	2.01	24,092,525	25,115,420
	f. Other expenses	2.25	144,223,024	128,508,262
	Total Expenses (IV)		**393,391,430**	**421,653,087**
V.	**Loss before Tax (III-IV)**		**(127,081,349)**	**(87,187,144)**
VI.	**Tax expense:**			
VII.	**Loss for the year (V-VI)**		(127,081,349)	(87,187,144)
VIII.	**Other Comprehensive Income**			
	A. Items that will not be reclassified to Profit or Loss			
	a (i) Remeasurements of defined benefit plan		(126,751)	(48,952)
	(ii) Income tax relating to items that will not be reclassified to Profit or loss		-	-
			(126,751)	(48,952)
IX.	**Total Comprehensive Income for the year (VII+ VIII) (Comprising Loss and Other Comprehensive Income for the year)**		**(127,208,100)**	**(87,236,096)**
X.	**Earnings per equity share: (Rs)**			
	Nominal value of share Rs.10/- (Rs.10/-)			
	a. Basic and Diluted	2.26	(6.74)	(4.62)

Significant accounting policies and key accounting estimates and judgements 1
The accompanying notes form an integral part of statement of Profit and Loss.
As per our separate report of even date attached

For VARMA AND VARMA
(FRN : 004532S)

(GOPI. K)
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CHARTERED ACCOUNTANTS
Membership No. 214435

Place : Kochi
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Company Secretary

REVA PROTEINS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars		For the year ended 31.03.2018		For the year ended 31.03.2017
A	**Cash Flows from Operating Activities**				
	Profit / (Loss) Before Tax		(127,081,349)		87,187,144
	Adjustments for:				
	Depreciation	24,092,525		25,115,420	
	Foreign exchange (Gain)/Loss	49,781		(1,002,688)	
	Finance Cost	30,925,934		33,722,756	
	Interest income	(2,703,519)	52,364,721	(3,784,030)	54,051,458
	Operating Profit / (Loss) before Working Capital Changes		(74,716,628)		(33,135,686)
	Adjustments for working capital changes:				
	(Increase)/Decrease in Trade and Other Receivables	(11,387,428)		3,863,283	
	(Increase)/Decrease in Inventories	54,118,230		(98,351,360)	
	Increase/(Decrease) in Trade Payables and other liabilities	56,279,233	99,010,035	105,463,288	10,975,211
	Cash generated from Operations		**24,293,407**		**(22,160,475)**
	Direct Taxes (paid) / refund received		2,941,054		(436,725)
	Net Cash from/(used) in Operating Activities		**27,234,461**		**(22,597,200)**
B.	**Cash Flows from Investing Activities**				
	Purchase of property, plant and equipment	(11,809,453)		(28,454,868)	
	Sale of property, plant and equipment	-		2,373,510	
	Investment in equity shares	-		(600,000)	
	Interest Received	2,752,605	(9,056,848)	3,980,856	(22,700,502)
	Net Cash from/(used) in Investing Activities		**(9,056,848)**		**(22,700,502)**
C.	**Cash Flows from Financing Activities**		-		-
	Process from/(Repayment of) borrowings	12,201,540		68,983,669	
	Interest Paid	(22,327,944)	**(10,126,404)**	(22,975,824)	**46,007,845**
	Net Cash from/(used) in Financing Activities		**(10,126,404)**		**46,007,845**
	Summary				
	Net Cash from/(used) in Operating Activities		27,234,461		(22,597,200)
	Net Cash from/(used) in Investing Activities		(9,056,848)		(22,700,502)
	Net Cash from/(used) in Financing Activities		(10,126,404)		46,007,845
	Net Increase / (Decrease) in Cash Equivalents		**8,051,209**		**710,143**
	Cash and Cash equivalents at beginning of the year		**4,510,412**		**3,800,269**
	Cash and Cash Equivalents at the end of the year		**12,561,621**		**4,510,412**
			8,051,209		**710,143**

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
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Membership No. 214435

Place : Kochi
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Company Secretary

REVA PROTEINS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2018

A. Equity Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid

	Numbers	Amount (Rupees)
As at 01.04.2016	18,860,520	188,605,200
Add : Issue During the year 2016-17	-	-
As at 31.03.2017	18,860,520	188,605,200
Add : Issue During the year 2017-18	-	-
As at 31.03.2018	**18,860,520**	**188,605,200**

B. Other Equity

(In Rupees)

Particulars	Reserves and Surplus		Equity Component of Compound Financial Instruments	Total
	Securities Premium	Retained Earnings		
Balance as at 01.04.2016	**215,407,800**	**(271,060,691)**	**69,666,078**	**14,013,187**
Total Comprehensive Income for the year	-	(87,236,096)	-	(87,236,096)
Balance as at 31.03.2017	**215,407,800**	**(358,296,787)**	**69,666,078**	**(73,222,909)**
Total Comprehensive Income for the year	**-**	**(127,208,100)**	**-**	**(127,208,100)**
Balance as at 31.03.2018	**215,407,800**	**(485,504,887)**	**69,666,078**	**(200,431,009)**

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 : 03/05/2018

For and on behalf of the Board of Directors

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Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

1 Significant Accounting Policies (IND AS)

General Information

Reva Proteins Limited ("the Company '/RPL) operates in the business of manufacture and sale of ossein and DCP. The company is a subsidiary of Nitta Gelatin India Limited, an entity listed on Bombay Stock Exchange in India .

Basis of Preparation

These financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Company's first Ind AS financial statements.. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarised in Note 2.30 & 2.31

Use of estimates

In the preparation of financial statements, the management makes estimates and assumptions in conformity with the Generally Accepted Accounting Principles in India. Such estimates and assumptions are made on reasonable and prudent basis taking into account all available information. However actual results could differ from these estimates and assumptions and such differences are recognized in the period in which results are ascertained. The estimates and underlying assumptions are reviewed on an ongoing basis.

1. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

• Expected to be realised or intended to sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule II to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

2. Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalised 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 and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Gains or losses arising from derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

In case of the company, Depreciation on Plant and Equipment (Other than service equipment) is provided on Straight Line Method and depreciation on Service Equipment and other items of Property, Plant and Equipment's 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 of the management at the year end.

3. Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised on a straight line basis over the estimated useful economic life i.e., 5 years. Amortisation methods and useful lives are reviewed periodically including at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

4. Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

5. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

6. Inventories

Inventories are valued lower of costs determined as mentioned below or net realizable value.

Raw materials, processing materials, packing materials and stores are valued at cost on the basis of weighted average per unit of measurement after taking into account the receipts at actual cost.

Work in process and finished goods are stated at cost or net realizable value whichever is lower. Cost comprises of material, direct labour, related production expenses, net of applicable tax/duty credits.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

7. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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 unrecognised past service costs,if any, is recognised in the accounts.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

8. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest Income

Interest income is recorded using the effective interest rate (EIR).

Export incentives

Export incentive of revenue nature notified by central / state government or regulating agencies of government are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

9. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance Lease - A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Operating Lease - Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

10. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company is engaged in the business of manufacture and sale of Ossein and DCP which broadly forms part of one product group and hence constitutes a single business segment.

11. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

12. Foreign currency transactions

Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis with in other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

13. Income Taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (‘MAT’) paid in accordance with the Indian tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal tax in the future. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it flow to the entity and the asset can be measured reliably. The entity 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 entity will be able to utilise that credit.

14. Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

15. Earnings / (Loss) per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

16. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

17. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

18. Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

In limited circumstances cost is considered an appropriate estimate of fair value if insufficient more recent information is available to measure fair value or if there is wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified at amortised cost.

Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Compound financial instrument

Optionally Convertible non-cumulative preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Future divident payout is not considered for the purpose of determining the fair value of the financial liability component of compound financial instruments wherever there is absence of certainities regarding future dividend payouts.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

19. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Recent Accounting Pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, changes in accounting estimates and errors.

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 and is in the process of evaluating the impact on application of Ind AS 115.

2. Notes to Accounts

Note No. 2.01

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 01.04.2017	Additions	Disposals/ Adjustments	As at 31.03.2018	As at 01.04.2017	For the year	Disposals/ Adjustments	As at 31.03.2018	As at 31.03.2018
(A) Property, Plant and Equipment									
Building	101,493,808	11,032,530	-	112,526,338	11,076,682	9,300,433	-	20,377,115	92,149,223
Plant and Equipment	218,083,880	19,039,667	-	237,123,547	12,462,692	12,814,944	-	25,277,636	211,845,911
Office Equipments	1,927,636	112,530	-	2,040,166	800,097	667,475	-	1,467,572	572,594
Furniture and Fixtures	1,107,253	15,000	-	1,122,253	278,212	221,105	-	499,317	622,936
Total	**322,612,577**	**30,199,727**	**-**	**352,812,304**	**24,617,683**	**23,003,957**	**-**	**47,621,640**	**305,190,664**
(B) Intangible Assets									
Computer Software	2,547,709	590,000	-	3,137,709	497,737	1,088,568	-	1,586,305	1,551,404
(C) Capital Work in progress									
Building under construction	1,461,819	-	1,379,190	82,629	-	-	-	-	82,629
Plant and equipment under Installation	17,241,037	-	17,241,037	-	-	-	-	-	-
Total	18,702,856	-	18,620,227	82,629	-	-	-	-	82,629
(D) Intangible Assets under Development									
Software	-	-	-	-	-	-	-	-	-

Previous Year Figures

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 01.04.2016 (Deemed Cost - See Note 2.01.04)	Additions	Disposals/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Disposals/ Adjustments	As at 31.03.2017	As at 31.03.2017
(A) Property, Plant and Equipment									
Building	88,767,121	12,901,068	174,381	101,493,808	-	11,076,682	-	11,076,682	90,417,126
Plant and Equipment	211,014,764	9,268,245	2,199,129	218,083,880	-	12,462,692	-	12,462,692	205,621,188
Office Equipments	1,438,266	489,370	-	1,927,636	-	800,097	-	800,097	1,127,539
Furniture and Fixtures	987,713	119,540	-	1,107,253	-	278,212	-	278,212	829,041
Total	302,207,864	22,778,223	2,373,510	322,612,577	-	24,617,683	-	24,617,683	297,994,894
(B) Intangible Assets									
Computer Software	-	2,547,709	-	2,547,709	-	497,737	-	497,737	2,049,972
(C) Capital Work in progress									
Improvement to Leasehold Land	269,075	781,037	1,050,112	-	-	-	-	-	-
Building under construction	3,440,308	10,412,811	12,391,300	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
Total	14,109,090			18,702,856	-	-	-	-	18,702,856
(D) Intangible Assets under development									
Software	1,688,947	687,176	2,376,123	-	-	-	-	-	-
Total	1,688,947	687,176	2,376,123	-	-	-	-	-	-

2.01.01 Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs nil (Rs 16,572,384)

2.01.02 In view of the existence of certain indicators of impairment as stated in Note 2.12.1, the management has conducted an impairment testing of the carrying value of fixed assets as at Balance Sheet date in the manner prescribed in Ind AS 36 - Impairment of Assets and having regard to the improved cash flows expected in the future and other positive factors as stated above, the management has assessed that there is no impairment in the value of the fixed assets of the company to be recognised at this stage.

2.01.03 As stated in Note No 2.31 , the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Accordingly, the net block as on 01.04.2016 aggregating to Rs.30,22,07,864, comprising of carrying value of various assets as follows, is considered as the deemed cost of the respective property, plant and equipment:

Particulars	Gross Block as at 01.04.2016	Accumulated Depreciation as at 01.04.2016	Carrying value (deemed cost) as at 01.04.2016
Buildings	139,564,924	50,797,803	88,767,121
Plant and Equipment	316,006,612	104,991,848	211,014,764
Office equipments	2,882,914	1,444,648	1,438,266
Furniture and Fixtures	1,640,549	652,836	987,713
Total	460,094,999	157,887,135	302,207,864

2.02 Non Current Investments

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Investment in Equity Instruments (carried at fair value through other comprehensive income)			
Unquoted (Trade):			
Narmada Clean Tech			
4,14,000 (4,14,000) fully paid up equity shares of Rs.10/- each	4,140,000	4,140,000	3,540,000
Aggregate amount of unquoted investments	**4,140,000**	**4,140,000**	**3,540,000**

2.03 Loans (Non Current)

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Unsecured (Considered Good)			
Security Deposits	17,378,156	15,785,193	16,385,193
	17,378,156	**15,785,193**	**16,385,193**

2.04 Other non-current Assets

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Unsecured (Considered Good)			
Capital Advance	-	-	1,382,626
Prepaid Lease Rental (See Note 2.04.1)	56,502,360	57,102,533	56,652,594
Income Tax (net)	628,894	3,569,948	3,133,223
	57,131,254	**60,672,481**	**61,168,443**

2.04.1 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 alloted 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 (Net Book Value of Rs.- 72,70,128/-), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

2.04.2 Current portion of prepaid lease rentals have been disclosed under Note No. -2.10

2.05 Inventories - At lower of cost or net realisable value

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Raw Materials	5,176,243	19,864,874	-
Work-in-progress	4,830,266	59,110,194	-
Finished Goods	28,920,625	14,332,768	-
Stores & Spares	7,972,679	7,907,111	3,064,376
Loose Tools	396,979	131,897	131,183
Others - Packing Materials	131,897	200,075	-
	47,428,689	**101,546,919**	**3,195,559**

2.05.01 Method of Valuation of Inventories - Refer 1.06 of Significant Accounting Policies

2.06 Trade Receivables

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Trade Receivables			
Unsecured , Considered Good	7,432,250	1,286,493	5,658,376
	7,432,250	1,286,493	5,658,376
Less: Provision for Doubtful Debts	-	-	-
	7,432,250	**1,286,493**	**5,658,376**

2.07 Cash and Cash Equivalents

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Balance with Banks			
In Current Accounts	12,243,253	4,299,400	3,773,941
Cash on hand	318,368	211,012	26,328
	12,561,621	**4,510,412**	**3,800,269**

2.08 Other Bank balances

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Balance with Banks			
In Deposit Accounts	29,908,257	45,485,641	70,914,144
	29,908,257	**45,485,641**	**70,914,144**

2.09 Loans (Current)

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Unsecured (Considered Good)			
Security Deposits	239,850	115,850	107,350
	239,850	**115,850**	**107,350**

2.10 Other Current Assets

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Unsecured (Considered Good)			
Prepaid Lease Rental	600,173	600,173	619,232
Advance recoverable in cash or in kind	1,004,747	1,035,538	630,139
Balances with Government authorities	4,708,896	483,254	-
Export Incentives -Duty Drawback	663,504	783,255	-
	6,977,320	**2,902,220**	**1,249,371**

2.11 Equity Share Capital

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Authorised :			
2,00,00,000 Equity Shares of Rs.10/- each	200,000,000	200,000,000	200,000,000
2,00,00,000 Optionally Convertible Non-Cumulative Preference Shares of Rs.10/- each	200,000,000	200,000,000	200,000,000
Issued and Subscribed and fully paid:			
1,88,60,520 Equity Shares of Rs.10/- each	188,605,200	188,605,200	188,605,200
	188,605,200	**188,605,200**	**188,605,200**

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 Optionally Convertible Non Cumulative Preference shares (OCPS)

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.

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

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number of shares	Rupees	Number of shares	Rupees	Number of shares	Rupees
a) Equity shares						
As at the beginning of the financial year	18,860,520	188,605,200	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	18,860,520	188,605,200
b) Optionally convertible Non Cumulative Preference Shares (OCPS)						
As at the beginning of the financial year	12,500,000	125,000,000	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	12,500,000	125,000,000

Particulars of Shareholders holding more than 5% in the Company

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	%	Number of shares	%	Number of shares	%	Number of shares
a) Equity shares						
Nitta Gelatin India Limited, Holding Company	74.55	14,060,520	74.55	14,060,520	74.55	14,060,520
Nitta Gelatin Inc, Japan	25.45	4,800,000	25.45	4,800,000	25.45	4,800,000
b)Preference shares						
Nitta Gelatin India Limited, Holding Company	100%	12,500,000	100%	12,500,000	100%	12,500,000

Particulars of Shares by Holding Company

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018
Nitta Gelatin India Limited, Holding Company			
14,060,520 Equity Shares of Rs. 10/- each	140,605,200	140,605,200	140,605,200

2.12 Other Equity

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Securities Premium	215,407,800	215,407,800	215,407,800
Retained Earnings	(485,504,887)	(358,296,787)	(271,060,691)
Equity component of compound financial instrument	69,666,078	69,666,078	69,666,078
	(200,431,009)	**(73,222,909)**	**14,013,187**

*For movement in other equity, refer Statement of Changes in Equity

2.12.01 The company has incurred losses during the current financial year as well as in the preceding financial years (cash losses during the financial years 2009-10 to 2012-13 and 2014-15 to 2017-18) and accumulated losses have exceeded net worth of the company as at 31st March 2018. However, in the opinion of the management, most of the critical factors which had adversely affected operations of the company in the past have now been successfully resolved and the company has started generating positive cash profits. As per the revised business plans approved by the Board of Directors, the company is hopeful of sustaining the cash profits in future also. Further, the Board of Directors of the company at their meeting held on 03rd February 2018 has approved the proposal to merge the entire business and undertaking of the company with the holding company Nitta Gelatin India Limited, which is subject to necessary approvals by shareholders and creditors of both companies and the National Company Law Tribunal (NCLT). Having regard to this position, the management does not consider that there are any material uncertainties related to events or conditions which might affect the entity's ability to continue as a going concern.

2.13 Non Current Borrowings

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Secured			
Term Loans:-			
From Banks- HDFC (See Note 2.13.2)	6,118,513	8,590,807	10,638,615
From Other parties- KSIDC (See Note 2.13.2)	91,229,068	115,719,091	113,350,000
Unsecured			
Loans from related party:-			
External Commercial Borrowing from Nitta Gelatin Inc, Japan (See Note 2.13.3)	63,186,253	73,549,533	70,665,034
Liability component of compound financial instrument	68,987,584	61,938,291	55,490,828
	229,521,418	**259,797,722**	**250,144,477**

2.13.1 Current Maturities of Borrowings are mentioned under the head Other Current Liabilities in Note no. 2.17

2.13.2 Details of Secured Loan - Terms of Repayment

(i) 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 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

(ii) (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 quarterly installments, commencing from 11.03.2017 in the following manner:

Period	Amount in Rs
From, March 2017 to March 2022	5,400,000
In June 2022	5,350,000

(b) Interest is payable as and when applied. Interest Rate is 10.50% p.a till 30/10/2017 and 9% p.a thereafter

(iii) (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 quarterly 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

(b) Interest is payable as and when applied. Interest Rate is 12.50% p.a till 30/10/2017 and 11% p.a thereafter

2.13.3 Details of Unsecured Loan - Terms of Repayment

(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.

2.14 Long Term Provisions

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Provision for Employee Benefits	1,752,961	1,129,449	765,383
	1,752,961	**1,129,449**	**765,383**

Disclosures required under Indian Accounting Standard (Ind AS) 19 - "Employee Benefits"

1 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	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Employers contribution to Provident Fund	915,038	897,351

2. Defined Benefit Plan

Gratuity – Funded Obligation

i Actuarial Assumptions

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Discount Rate (per annum)	7.50%	8.00%
Salary escalation rate*	5.00%	5.00%
Attrition rate	1.92%	1.92%
Mortality Rate	IALM(1994-1996) Ulimate	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. Change in Present Value of Obligations

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Present value of obligation at beginning of the year	620,284	431,122
Current Service Cost	184,375	141,032
Interest Cost	53,435	40,131
Actuarial (gain)/loss	126,751	48,952
Benefits Paid	(96,883)	(40,953)
Present value of obligation at the end of the year	887,962	620,284

iii. The Amounts to be recognised in Balance Sheet and Statement of Profit and Loss

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of obligations at the end of the year	887,962	620,284	431,122	256,485	271,959
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	887,962	620,284	431,122	256,485	271,959

iv. Expenses recognised in the Statement of Profit and Loss

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Current Service Cost	184,375	141,032
Interest Cost	53,435	40,131
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Settlement Cost / (Credit)		-
Total expenses recognised in the Statement of Profit and Loss for the year	237,810	181,163

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

v. Amount Disclosed Under Other Comprehensive Income (OCI)

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Opening Amount disclosed under OCI	48,952.00	-
Actuarial gain / loss on obligation side during the period	126,751.00	48,952.00
Return on Assets other than those included in net interest	-	-
Any other impoact from asset value assumption	-	-
Any other impoact from liability value assumption	-	-
Closing Amount disclosed under OCI	175,703.00	48,952.00

vi. Reconcilation of Net Asset or Liability

Particlulars	As on 31.03.2018 under Ind AS -19	|As on 31.03.2017 under Ind AS -19
Opening Net Liability	620,284.00	431,122.00
Expense as above	237,810.00	181,163.00
Remeasurement Costs	126,751.00	48,952.00
Contribution paid by employer to fund	(96,883.00)	(40,953.00)
Closing Net Liability	887,962.00	620,284.00

vii. Sensitivity Analysis of the Defined Benefit Obligation

Particulars	31st March, 2018		31st March, 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	744,821	1,068,559	518,627	748,731
Salary increase rate	1,061,323	747,670	744,370	520,121
Employee turnover	943,348	297,219	943,348	297,219

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

3 **Long Term Employee Benefits**

Compensated absences (Vesting and Non Vesting): Unfunded Obligation

i Actuarial Assumptions

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Discount Rate (per annum)	7.50%	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. Changes in Present Value of Obligations

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Present value of obligation at beginning of the year	509,165	334,261
Current Service Cost	342,337	201,050
Interest Cost	51,025	34,783
Actuarial (gain)/loss	973,864	171,337
Benefits Paid	(1,011,392)	(232,266)
Present value of obligation at the end of the year	864,999	509,165

iii. Net (Asset)/ Liability recognized in the Balance Sheet as at year end

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of obligations at the end of the year	864,999.00	509,165.00	334,261.00	197,318.00	262,361.00
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	864,999.00	509,165.00	334,261.00	197,318.00	262,361.00

iv. Expenses recognised in the Statement of Profit and Loss

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Current Service Cost	342,337	201,050
Interest Cost	51,025	34,783
Expected return on plan assets	-	-
Past Service Cost	-	-
Remeasurement Cost	973,864	171,337
Settlement Cost / (Credit)	-	-
Total expenses recognised in the Statement of Profit and Loss for the year	1,367,226	407,170

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

v. Reconciliation of Net Asset or Liability

Particulars	As on 31.03.2018 under Ind AS -19	As on 31.03.2017 under Ind AS -19
Opening Net Liability	509,165	334,261
Expense as above	393,362	235,833
Amount disclosed under OCI	973,864	171,337
Contribution paid by employer to fund	(1,011,392)	(232,266)
Closing Net Liability	864,999	509,165

vi. Sensitivity Analysis of the Defined Benefit Obligation

Particulars	31st March, 2018		31st March, 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	874,368	1,093,755	440,351	594,828
Salary increase rate	1,085,972	808,223	591,006	442,198
Employee turnover	1,318,560	415,437	774,355	243,974

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

2.15 Current Borrowings

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Secured			
Loans Repayable on demand:-			
From banks- SBI (See note 2.15.1)	47,452,976	24,362,349	-
	47,452,976	**24,362,349**	**-**

2.15.1 Details of Secured Loan

(a) Secured by:

(i) Primary Security-first charge on the entire current assets of the company, both present and future.

(ii) Collateral security-on the entire fixed assets of the company, both present and future.

(iii) Corporate guarantee- of the Holding Company-M/s Nitta Gelatin India Limited.

2.16 Trade Payables

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Trade Payables:			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises; and	-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	50,623,947	70,229,173	8,888,018
	50,623,947	**70,229,173**	**8,888,018**

2.16.1 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.

2.17 Other Financial Liabilities

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Current maturities of long-term debt	40,504,526	28,047,617	7,564,287
Others -			
Creditor For Capital Goods	865,599	505,552	2,112,295
Claim payable towards materials damaged in processing	-	-	10,529,864
Retention and Other Deposits	1,877,392	1,452,074	670,184
	43,247,517	**30,005,243**	**20,876,630**

2.18 Other Current Liabilities

Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees	As at 01.04.2016 Rupees
Other Payables -			
- Statutory Dues	969,284	505,545	731,711
- Advance from Customers	128,279,800	53,781,159	-
	129,249,084	**54,286,704**	**731,711**

NOTES ATTACHED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

2.19 Revenue from Operations

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Sale of Products		
Gross Sales	262,642,309	325,993,545
Sale of Services		
Income from Job Charges	-	1,889,822
Other Operating Revenues		
Export Incentive		
Duty Drawback	621,318.00	1,400,512
	263,263,627	**329,283,879**

2.20 Other Income

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Interest	2,703,519	3,784,030
Scrap Sales	342,935	388,001
Net gain on foreign currency translation	-	1,002,688
Other Non Operating Income	-	7,345
	3,046,454	**5,182,064**

2.21 Cost of Materials Consumed

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Opening Stock	19,834,874	-
Add: Purchases	117,398,963	307,971,944
	137,233,837	307,971,944
Less: Closing Stock	5,176,243	19,864,874
	132,057,594	**288,107,070**

2.22 Changes in inventories of finished goods, work-in-progress and Stock-in-trade

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Closing Stock		
Finished Goods	28,920,625	14,332,768
Work-in-process	4,830,266	59,110,194
	33,750,891	**73,442,962**
Less:		
Opening Stock		
Finished Goods	14,332,768	-
Work-in-process	59,110,194	-
	73,442,962	**-**
	(39,692,071)	**73,442,962**

2.23 Employee benefits expense

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Salaries & Wages	18,211,056	16,724,087
Contribution to Provident and other Funds	1,172,937	1,083,734
Workmen & Staff Welfare Expenses	3,016,289	1,834,720
	22,400,282	**19,642,541**

2.24 Finance Costs

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Interest Expense	30,925,934	33,289,321
Other Borrowing Costs	-	433,435
	30,925,934	**33,722,756**

2.25 Other Expenses

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Consumption of Stores, Spares & Consumables	11,858,882	7,431,347
Packing Materials consumed	944,712	931,400
Power , Fuel, Water & Gas	58,126,298	58,239,128
Repairs - Buildings	78,500	88,568
Repairs - Plant & Machinery	10,405,373	7,552,197
Repairs - Others	5,290,968	3,501,545
Loading,Transportation and Other charges on products	4,206,813	5,165,999
Insurance	1,205,839	896,310
Rent	600,173	619,232
Rates & Taxes	814,091	370,267
Postage and Telephones	732,642	590,267
Printing & Stationery	284,282	362,620
Travelling & Conveyance	5,069,545	4,632,245
Directors' sitting fee	122,000	112,610
Payments to the Auditor (See Note No 2.25.1)	472,500	270,250
Advertisement & Publicity	32,920	35,055
Professional & Consultancy charges	1,438,496	1,447,450
Bank Charges	622,646	302,796
Guarantee Commission	1,129,500	313,499
Miscellaneous Expenses	5,061,740	6,489,253
Security service charges	3,297,080	2,889,419
Effluent Discharge Charges	15,787,204	13,386,001
Contract labour charges	16,591,039	12,880,804
Net loss on foreign currency translation	49,781	-
	144,223,024	**128,508,262**

2.25.1 Details of Payment to Auditors

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
a. Statutory Audit Fees	250,000	200,000
b. Other Services		
Service Tax / GST on above	45,000	30,000
Taxation Matters (Including Tax Audit)	177,500	35,000
Service Tax / GST on above	-	5,250
	472,500	**270,250**

2.26 Earnings Per Equity Share

Particulars	For the year ended 31.03.2018 Rupees	For the year ended 31.03.2017 Rupees
Loss for the year	(127,081,349)	(87,187,144)
Weighted average number of Equity Shares of Rs. 10/- each (fully paid-up) - Basic	18,860,520	18,860,520
Earnings per Share Basic & Diluted	(6.74)	(4.62)

2.27 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 Ind AS 33 “Earnings per Share.

2.28 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 party	Nature of Relationship
i.	Nitta Gelatin India Limited	Holding Company
ii.	Nitta Gelatin Inc, Japan	Enterprise Having Substantial Interest in Company
iii.	Key Managerial Personnel	
a.	Mr. Noriyuki Tsuji	Managing Director (upto 04.02.2018)
b.	Mr. M A Xavier	Managing Director (w.e.f 05.02.2018)

B. Description of Transactions

Particulars	Holding Company	Enterprise having substantial interest in the Company	Key Management Personnel	Total
Income from Job charges	-	-	-	-
	(1,889,822)	-	-	(1,889,822)
Expenses Recovered	351,433	-	-	351,433
	(1,617,126)	-	-	(1,617,126)
Expenses reimbursed	3,463,829	-	-	3,463,829
	(3,453,565)	-	-	(3,453,565)
Trade Advance (Net)	-	-	-	-
	-	-	-	-
Guarantee Commission Paid	1,129,500	-	-	1,129,500
	(313,499)	-	-	(313,499)
Support Fees paid	1,353,600	-	-	1,353,600
	(1,353,600)	-	-	(1,353,600)
Issue of 6% Optionally Convertible Non-Cumulative Preference Shares	-	-	-	-
	-	-	-	-
Borrowings Availed	-	-	-	-
	-	-	-	-
Interest on Borrowings	-	8,786,974	-	8,786,974
	-	(8,402,172)	-	(8,402,172)
Interest paid on Trade Advance	-	-	-	-
	-	-	-	-
Security Deposit Accepted	-	-	-	-
	-	-	-	-
Security Deposit Refunded	-	-	-	-
	-	-	-	-
Sale of Goods	92,444,918	118,225,377	-	210,670,295
	(146,447,048)	(140,051,168)	-	(286,498,216)
Purchase of Goods	-	-	-	-
	(19,347,765)	-	-	(19,347,765)
Purchase of packing material , stores and spares parts.	94,813	-		94,813
	-	-		-
Remuneration to Managing Director (See Note 2.28.1)	-	-	2,356,744	2,356,744
	-	-	(2,362,443)	(2,362,443)
Remuneration to Whole Time Director	-	-	-	-
	-	-	(1,204,803)	(1,204,803)
Remuneration to Whole Time Director (Prior to 09.07.2015 - Designation held as Executive Vice President (Technical)	-	-	-	-
	-	-	-	-

-

Balance outstanding as at 31.03.2018

Nitta Gelatin India Limited				-
Trade Advance from Customers	78,917,567	49,362,233	-	128,279,800
	(42,377,751)	(11,403,408)	-	(53,781,159)
Claim payable towards materials damaged in processing	-	-	-	-
	-	-	-	-
Deposits	-	-	-	-
	-	-	-	-
Corporate Guarantee received	242,500,000	-	-	242,500,000
	(242,500,000)	-	-	(242,500,000)
Trade Receivable	-	-	-	-
	-	-	-	-
Nitta Gelatin Inc, Japan				
- Borrowings	-	76,686,253	-	76,686,253
	-	(75,200,788)	-	(75,200,788)

2.28.1 Remuneration to Mr. M A Xavier (appointed as managing director w.e.f 05.02.2018) aggregating to Rs.3,50,324 is subject to approval of shareholders under the Companies Act 2013, which is being sought for at the ensuing Annual General Meeting.

2.29 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. 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)	118,846,695	144,759,867	263,606,562
	(142,454,368)	(188,227,546)	(330,681,914)
Segment Result (Loss)	43,166,936	53,596,037	96,762,973
	(22,696,589)	(32,186,516)	(54,883,105)
Unallocated Expenditure (Net)	-	-	2,095,961
	-	-	(1,749,019)
Interest Expense (Net)	-	-	28,222,415
	-	-	(30,555,020)
Loss before taxation	-	-	(127,081,349)
	-	-	(87,187,144)

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.

Revenues from single major customers under each geographical segment.

Export Sales

Party	Revenue	
	2017-18	2016-17
Nitta Gelatin Inc, Japan	118,225,377	140,051,168

Domestic Sales

Party	Revenue	
	2017-18	2016-17
Nitta Gelatin Inc, Japan	92,444,918	146,447,048

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.30 IND AS -101 - FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS RECONCILIATION

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

a) Reconciliation of Balance Sheet as at 01.04.2016

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
	Amount in Rs	Amount in Rs	Amount in Rs
ASSETS			
Non-current Assets			
Property, Plant and Equipment	359,479,690	(57,271,826)	302,207,864
Capital Work-in-progress	14,109,090		14,109,090
Investment property			-
Other Intangible Assets	-		-
Other Intangible Assets under development	1,688,947		1,688,947
Financial assets			-
Investments	3,540,000		3,540,000
Loans	16,385,193		16,385,193
Non current tax assets (net)			-
Other non-current assets	4,515,849	56,652,594	61,168,443
Total non-current assets	**399,718,769**		**399,099,537**
			-
Current Assets			-
Inventories	3,195,559		3,195,559
Financial assets			-
Trade Receivables	5,658,376		5,658,376
Cash and Cash Equivalents	3,800,269		3,800,269
Other Bank balances	70,914,144		70,914,144
Loans	107,350		107,350
Other current assets	630,139	619,232	1,249,371
Total current assets	**84,305,837**		**84,925,069**
Total Assets	**484,024,606**		**484,024,606**

EQUITY AND LIABILITIES

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
	Amount in Rs	Amount in Rs	Amount in Rs
Equity			
Equity share capital	313,605,200	(125,000,000)	188,605,200
Other equity	(74,830,951)	88,844,138	14,013,187
Total Equity			-
Total non-current liabilities			-
Non-current liabilities			-
Financial liabilities			-
a.Borrowings	213,988,615	36,155,862	250,144,477
b.Provisions	765,383		765,383
Other non-current liabilities			**-**
Total non-current liabilities	**453,528,247**		**453,528,247**
			-
Current Liabilities			-
Financial liabilities			-
a.Borrowings	-		-
b.Trade Payables	8,888,018		8,888,018
c.Other financial liabilities	20,876,630		20,876,630
Other current liabilities	731,711		731,711
Total current liabilities	**30,496,359**		**30,496,359**
Total Liabilities	**484,024,606**	**-**	**484,024,606**

b) Reconciliation of Balance Sheet as at 31.03.2017

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
	(Amount in Rs)	(Amount in Rs)	(Amount in Rs)
ASSETS			
Non-current Assets			
Property, Plant and Equipment	355,697,600	(57,702,706)	297,994,894
Capital Work-in-progress	18,702,856	-	18,702,856
Investment property	-	-	-
Other Intangible Assets	2,049,972	-	2,049,972
Other Intangible Assets under development	-	-	-
Financial assets			-
Investments	4,140,000	-	4,140,000
Loans	15,785,193	-	15,785,193
Other non-current assets	3,569,948	57,102,533	60,672,481
Total non-current assets	**399,945,569**		**399,345,396**
			-

Current Assets			-
Inventories	101,546,919		101,546,919
Financial assets			-
Trade Receivables	1,286,493		1,286,493
Cash and Cash Equivalents	4,510,412		4,510,412
Other Bank balances	45,485,641		45,485,641
Loans	115,850		115,850
Other current assets	2,302,047	600,173	2,902,220
Total current assets	**155,247,362**		**155,847,535**
Total Assets	**555,192,931**	**-**	**555,192,931**

EQUITY AND LIABILITIES

Particulars	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
	Amount in Rs	**Amount in Rs**	**Amount in Rs**
Equity			-
Equity share capital	313,605,200	(125,000,000)	188,605,200
Other equity	(152,735,085)	79,512,176.00	(73,222,909)
Total Equity	-	-	-
Total non-current liabilities	-	-	-
Non-current liabilities	-	-	-
Financial liabilities			-
a.Borrowings	214,309,898	45,487,824	259,797,722
b.Provisions	1,129,449	-	1,129,449
Other non-current liabilities	-	-	-
Total non-current liabilities	**376,309,462**	**-**	**376,309,462**
			-
Current Liabilities			-
Financial liabilities			-
a.Borrowings	24,362,349	-	24,362,349
b.Trade Payables	70,229,173	-	70,229,173
c.Other financial liabilities	30,005,243	-	30,005,243
Other current liabilities	54,286,704	-	54,286,704
Total current liabilities	**178,883,469**	**-**	**178,883,469**
Total liabilities	**555,192,931**	**-**	**555,192,931**

c) Reconciliation of statement of profit and loss for the year ended 31.03.2017

Particulars	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
	Amount in Rs	**Amount in Rs**	**Amount in Rs**
Income			
Revenue from operations	329,283,879	-	329,283,879
Other Income	5,182,064	-	5,182,064
Total Income	**334,465,943**	**-**	**334,465,943**
Expenses:			-
a. Cost of materials consumed	288,107,070	-	288,107,070
b. Changes in inventories of finished goods, work-in-progress and Stock-in-trade	(73,442,962)	-	(73,442,962)

c. Employee benefits expense	19,691,493	(48,952)	19,642,541
d. Finance costs	24,390,794	9,331,962	33,722,756
e. Depreciation and amortisation expense	25,734,652	(619,232)	25,115,420
f. Other expenses	127,889,030	619,232	128,508,262
Total Expenses	**412,370,077**	**-**	**421,653,087**
Loss before tax from Continuing Operations (III-IV)	(77,904,134)		(87,187,144)
Tax expense:	-	-	-
Loss from Continuing Operations (V - VI)			-
Other Comprehensice Income / (Loss) for the year			-
A. Items that will not be reclassified to Profit or Loss			
Reclassification of remeasurement cost	-	(48,952)	(48,952)
Measurement of investments at fair value through profit and loss	-	-	-
B. Items that will be reclassified to Profit or Loss	-	-	-
Other Comprehensive Income / (Loss) for the year	-		(48,952)
Total Comprehensive Income / (Loss) for the year			(87,236,096)

* The previous GAAP figures have been reclassified to conform to IND AS presentation requirements for the purpose of this note

d) Reconciliation of Equity as at 01.04.2016 and 31.03.2017

Particulars	As at 01.04.2016 Amount (in Rs)	As at 31.03.2017 Amount (in Rs)
Equity as per the previous GAAP	238,774,249	160,870,115
Add :		
Equity portion of External Commercial Borrowings	21,477,500	21,477,500
Less		
Financial Liability component of optionally convertible preference shares	55,333,922	55,333,922
Finance Cost on ECB	2,142,534	5,027,032
Finance Cost on optionally convertible preference shares	156,906	6,604,370
Equity as per IND AS	**202,618,387**	**115,382,291**

e) Reconciliation of net profit for the year ended 31.03.2017

Particulars	Year ended 31.03.2017 Amount in Rs
Net profit as per previous GAAP	**(77,904,134)**
Impact of Interest expense on finance liability component of optionally covertible preference shares	6,447,464
Impact of discount unwinding of ECB	2,884,498
Reclassification of Actuarial gain/loss to OCI	(48,952)
Rental Expense on classification of lease premium as prepaid rent	600,173
Reversal of amortisation expenses on lease premium	(600,173)
Net Profit as per IND AS	(87,187,144)
Other comprehensive Income	
Remeasurement cost of defined benefit plans	(48,952)
Total Comprehensive Income under IND AS	**(87,236,096)**

2.31 Notes to IND AS -101 - FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS RECONCILIATION

a. First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared financial statements for the comparative period data as at and for the year ended 31 March 2017 that comply with the Ind AS applicable, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the comparative financial statements as at and for the year ended 31 March 2017.

b Ind AS optional exemptions

1. Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value .

2. Lease

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101, First-time Adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

c Ind AS mandatory exemptions

1. Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

a) Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable; or

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or

c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

d Note on IND AS Adjustments

1. Issue of prefernce shares

The Company has issues optionally convertible redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS 109, Financial Instruments, optionally convertible prefernce shares (OCPS) are separated into liability and equity components based on the terms of the contract. The difference between carrying value of financial liability and fair value on initial recognition has been considered as additional contribution by the related parties and shown as part of 'Other equity'. Interest expenses on financial liability is charged to the Statement of Profit and Loss using the effective interest method.

2 . Borrowings from Related Party

Under previous GAAP, all financial liabilities were carried at cost. Under Ind AS 109 , Financial Instruments, borrowings from related parties have been measured at amortised cost. The difference between carrying value of borrowings and fair value on initial recognition has been considered as additional contribution by the related parties and shown as part of 'Other equity'. Interest expenses on amortised cost is charged to the Statement of Profit and Loss using the effective interest method.

3. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' which includes effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

4. Defined benefit obligation

Under previous GAAP, actuarial gains and losses were recognized in the Statement of profit and loss, and interest cost was recognized under employee benefit expense. Under Ind AS, the actuarial gain and loss form part of remeasurement of net defined benefit liability/ asset which is recognised in other comprehensive income in the respective periods.

5. Leasehold Land

Under previous GAAP, the leasehold land has been capitalised under property, plant and equipments and depreciation on the same has been claimed . Under ind AS 17- Leases, all leases has to be assessed as per the criteria of finance and operating lease . Accordingly, the company has classified the arrangement for leasehold land as an operating expense.The net block appearing under PPE has been reclassified to prepaid lease rentals and the aforementioned depreciation has been reclassified as rental expense.

2.32 Fair value measurements

Fair value of the financial instruments is classified in various fair value hierarchies based on the following 3 levels :

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

Particulars	Note No.	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Assets:				
Investments				4,140,000
Cash and cash equivalents		12,561,621	-	-
Bank balances other than cash and cash equivalents		29,908,257		
Trade receivable		7,432,250	-	-
Loans		17,618,006		
Other financial assets				
Interest receivable		-		
Total		**67,520,134**	**-**	**4,140,000**

Liabilities:			
Borrowings	276,974,394	-	-
Trade payable	50,623,947	-	-
Other financial liabilities			
Current maturities of long term borrowings	40,504,526		
Creditors for capital goods	865,599		
Retention and Other Deposits	1,877,392		
Total	**370,845,858**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2017 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Assets:			
Investments			4,140,000
Cash and cash equivalents	4,510,412		
Bank balances other than cash and cash equivalents	45,485,641		
Trade receivable	1,286,493		
Loans	15,901,043		
Other financial assets			
Security Deposits			
Interest receivable	-		
Total	**67,183,589**	**-**	**4,140,000**
Liabilities:			
Borrowings	284,160,071		
Trade payable	70,229,173		
Other financial liabilities			
Current maturities of long term borrowings	28,047,617		
Unpaid Dividend			
Interest accrued and due on borrowings	-		
Interest accrued but not due on borrowings	-		
Creditors for capital goods	505,552		
Retention and Other Deposits	1,452,074		
Total	**384,394,487**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 01 April 2016 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
Assets:			
Investments	-		3,540,000
Cash and cash equivalents	3,800,269		
Bank balances other than cash and cash equivalents	70,914,144		
Trade receivable	5,658,376		
Loans	16,492,543		
Other financial assets			
Interest receivable	-		
Total	**96,865,332**	**-**	**3,540,000**
Liabilities:			
Borrowings	250,144,477		
Trade payable	8,888,018		
Other financial liabilities			
Current maturities of long term borrowings	7,564,287		
Unpaid Dividend			
Creditors for capital goods	2,112,295		
Other Payables	10,529,864		
Retention and Other Deposits	670,184		
Total	**279,909,125**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

2.33 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 74.32 lakhs as of 31 March 2018.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Japan. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Company's historical experience for customers.

Assets under credit risk

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivable	7,432,250	1,286,493	5,658,376
Cash and Cash Equivalents	12,561,621	4,510,412	3,800,269
Bank Balances other than Cash and Cash Equivalents	29,908,257	45,485,641	70,914,144
Loans	17,618,006	15,901,043	16,492,543
Total	**67,520,134**	**67,183,589**	**96,865,332**

Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended 31 March 2018 and as at 31 March 2017 is assessed as Nil.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at the beginning	-	-	-
Impairment loss recognised	-	-	-
Impairment loss reversed			
Balance at the end	-	-	-

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings.

Financial assets that are neither past due nor impaired

Trade Receivables, Cash and Cash Equivalents,Bank Balances other than cash and cash equivalents, and loans are neither past due date nor impaired as at 31.03.2017 and 31.03.2018,respectively.

Financial assets that are past due but not impaired

There are no financial assets that are outstanding past due date as at 31.03.2018 and 31.03.2017, respectively

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets that are neither past due nor impaired	67,520,134	67,183,589	96,865,332
Financial assets that are past due but not impaired			
Past due 0-60 days	-	-	-
Past due 61-180 days	-	-	-
Past due over 180 days	-	-	-
Total past due but not impaired	-	-	-
Total assests under risk	67,520,134	67,183,589	96,865,332

(B) Liquidity risk

The Company is experiencing significant constraints in meeting its working capital requirements. Liquidity risk is managed by advances obtained from customers. As of 31st March 2018, the Company has a negative working capital of Rs. 1,660 lakhs including cash and cash equivalents of Rs. 125 lakhs. As of 31st March 2017, the company had a negative working capital of Rs. 230.35 lakhs including cash and cash equivalents of Rs. 45.10 lakhs.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Maturities of financial liabilities As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	47,452,976	294,347,581	4,500,000	346,300,557
Trade payable	50,623,947	-	-	50,623,947
Other financial liabilities	43,247,517	-	-	43,247,517
Total	**141,324,440**	**294,347,581**	**4,500,000**	**440,172,021**

Maturities of financial liabilities As at 31 March 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	24,362,349	316,809,898	22,500,000	363,672,247
Trade payable	70,229,173	-	-	70,229,173
Other Financial liabilities	30,005,243	-	-	30,005,243
Total	**124,596,765**	**316,809,898**	**22,500,000**	**463,906,663**

Maturities of financial liabilities As at 1 April 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	298,184,034	40,804,581	338,988,615
Trade payable	8,888,018	-	-	8,888,018
Other Financial liabilities	20,876,630	-	-	20,876,630
Total	**29,764,648**	**298,184,034**	**40,804,581**	**368,753,263**

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD currencies and consequently the Company is exposed to foreign exchange risk through its sales to overseas customers. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against USD.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Particulars		As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
Included In	Currency	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial liabilities							
Borrowings	USD	737,000	47,452,976	375,738	24,362,349		-

Conversion rates	USD
As at 31 March 2018	64.39
As at 31 March 2017	64.83
As at 1 April 2016	-

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

(In ₹)

Particulars	Increase	Decrease	Increase	Decrease
	31 March 2018	31 March 2018	31 March 2017	31 March 2017
Sensitivity				
INR/USD	474,530	474,530	243,623	243,623

Interest rate risk

The Companys policy is to minimise interest rate cash flow risk exposures on long term financing. As at 31 March 2018, the company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The company's investment in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the company to interest rate risk

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Variable rate borrowings	12,41,39,229	9,79,11,882
Fixed Rate Borrowings	19,33,39,691	21,42,95,806
Total Borrowings	**31,74,78,920**	**31,2207,688**
Amount disclosed under other current liabilities	4,05,04,526	2,80,47,617
Amount disclosed under borrowings	27,69,74,594	28,41,60,071
	31,74,78,920	**31,22,07,688**

Sensitivity

Below is the sensitivity of profit or loss in interest rate

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Interest rates - increase by 100 basis points (100 bps)	(12,41,392)	(9,79,118)
Interest rates - decrease by 100 basis points (100 bps)	12,41,392	9,79,118

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through bank borrowings as well as advance from customers as its entire networth is eroded. The company is in the process of getting merged with its holding company, Nitta Gelatin India Limited which is pending for approval of BSE / NCLT at this stage. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

2.34 The previous GAAP figures have been reclassified to conform to IND AS presentation requirements for the purpose of this note. The figures have been rounded off to the nearest rupee.

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 : 03/05/2018

For and on behalf of the Board of Directors

SAJIV K. MENON
Chairman
DIN : 00168228

M.A. XAVIER
Mananging Director
DIN : 07117456

Dr. SHINYA TAKAHASHI
Director
DIN : 07809828

K. L. KUMAR
Director
DIN : 00004804

VIJAYAN MENON
Director
DIN : 01141134

M.T. BINIL KUMAR
Director
03161942

P. SAHASRANAMAN
Director
DIN : 07644126

G. RAJESH KURUP
Company Secretary