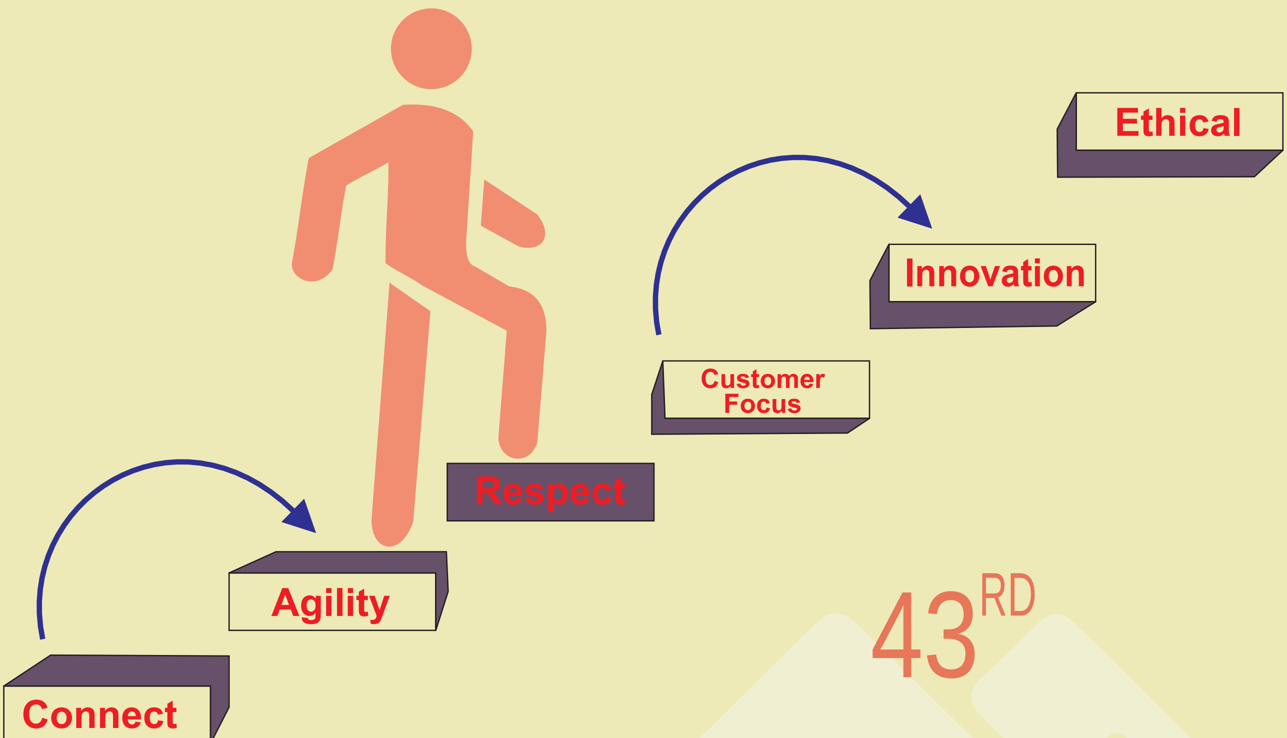
Nitta Gelatin India Limited

live life to the fullest



43RD ANNUAL REPORT 2018-2019

Dear Shareholders

KOICHI OGATA
PRESIDENT

The year 2018-19 has been difficult for Nitta Gelatin India Ltd (NGIL), due to the floods that ravaged the State of Kerala which severely affected the operations of our plants there. Acts of lawlessness indulged in by some elements compounded the issue. I am indeed thankful to the strong intervention by the Government of Kerala which helped restore normalcy and am confident that the Company will bounce back to a healthy and profitable growth trajectory.

The Nitta Gelatin Group celebrated its 100-years of existence last year, a proud moment for all of us. During this period, we had scripted our growth story by successfully turning every adversity which came our way into an opportunity. Based on a spirit of accommodation and sincerity, we the members of Nitta Gelatin family are committed to the development of our business, contribution to the global community and safeguarding the environment. The Nitta Gelatin Group has established itself as a reliable partner for meeting the requirement of Collagen based products of our customers through our global presence. Through our constant developmental efforts backed with our strong focus on current and emerging customer requirements, we will build on our market presence and strive to enhance the value proposition to our customers, The group produces healthy, functional and value added products in its state of the art facilities that are safe, reliable and environment friendly.

Looking ahead, demand for Gelatin and Collagen will grow with the rising standard of living of our people that comes with economic growth. Globalisation coupled with higher income levels in China, India and elsewhere, would lead to increase in demand for wellness and lifestyle products in the Asian region and we are well positioned to cater to this growth. These market dynamics will further enhance the demand for the Company's products in the pharmaceutical and health food markets.

NGIL is posed to play a pivotal role in the future growth of the group and will always receive the support of the Nitta Gelatin Group. By adhering to the value systems, and ethical practices evolved over the years, I firmly believe that NGIL can emerge as a strong player in the industry as we move forward.

I look forward to your continued support.

Koichi-Ogata
KOICHI OGATA

Nitta Gelatin Inc.
2-22, Futamata, Yao-City, Osaka, 581-0024, Japan

DR. K. ELLANGOVAN, IAS
Principal Secretary
(Industries & NORKA)

The year 2018-19 was extremely challenging for the Company due to the impact of the floods that ravaged Kerala in August. The factories at Koratty and Kakkanad were inundated and it took almost a week for the affected equipment to be overhauled and brought back on line. Unfortunately, the floods were followed by a sharp drop in the water level of the Chalakudy river and water supply to the Koratty factory was entirely stopped when some miscreants blocked the mouth of the canal along which water flows from the river to our pump house. At the Company's request, the government initiated strong action to dredge the canal and water supply was restored. Normal operations of the factory commenced in February 2019.

Despite the aftermath of the floods, the Company was able to make alternate arrangements for supply of Ossein to sustain production of Gelatin. This however severely affected the profitability of operations.

Reva Proteins Limited, the erstwhile subsidiary of the Company was merged with the Company consequent to the order passed by the National Company Law Tribunal (NCLT) Chennai bench. This would bring in synergy in operations of the Company and add to optimisation of operational costs.

The results of the financial year 2018-19 have been restated after considering the impact of merger of Reva Proteins Ltd. with the Company. The carry forward losses of Reva Proteins Limited were merged with the financials of Nitta Gelatin India Limited with effect from April 1, 2017.

Due to the above factors, the Pre-tax loss of the Company for the year 2018-19 was Rs. 3.75 crs. against the pre-tax profit of Rs. 10.73 crs. in2017-18.

Chalakudy was one of the worst affected areas of the State during the floods and many households in the vicinity of the factory at Koratty were very badly affected. Employees of the Company worked in teams round the clock to bring succour to the flood affected persons by organising free supplies of food, clothing, medication and essential items apart from organising medical camps for the people there. The efforts of the Company were widely appreciated.

Aided by the industry friendly measures launched by the Government of Kerala and clear signs of strengthening of the economic scenario, we have reasons to be optimistic about the future of the Company. I firmly believe that your Company with its dedicated team of employees and with the all-round support of the promoters, will ensure this.

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

K. ELLANGOVAN

Industries & NORKA
Government of Kerala
Thiruvananthapuram - 695 001, Kerala

NITTA GELATIN INDIA LIMITED
(CIN : L24299KL1975PLC002691)

Annual Report 2018-19

BOARD OF DIRECTORS

Chairman	:	**DR. K. ELLANGOVAN IAS**
Directors	:	**KOICHI OGATA**
		(HIDENORI TAKEMIYA-ALTERNATE DIRECTOR)
		Dr. SHARMILA MARY JOSEPH IAS
		A. K. NAIR
		RADHA UNNI
		Dr. K. CHERIAN VARGHESE
		E. NANDAKUMAR
		YOICHIRO SAKUMA
		Dr. SHINYA TAKAHASHI, Director (Technical)
Managing Director	:	**SAJIV K. MENON**
Chief Financial Officer	:	P. Sahasranaman
Company Secretary	:	G. Rajesh Kurup
Statutory Auditors	:	Walker Chandiok & Co. LLP Kochi
Secretarial Auditor	:	Abhilash Nediyalil Abraham.
Bankers	:	State Bank of India Canara Bank Standard Chartered Bank HDFC Bank Ltd. YES Bank IDBI Bank Ltd. South Indian Bank Ltd.
Legal Advisors	:	1) M. Pathrose Mathai Senior Advocate, Ernakulam 2) B.S. Krishnan & Associates Advocates, Ernakulam
Registrar & Share Transfer Agents	:	Cameo Corporate Services Ltd. 1, Club House Road, Chennai - 600 002 Tel : 044-28460390; Fax : 044-28460129 E-mail : cameo@cameoindia.com
Registered Office	:	Post Bag No. 4262 54/1446, Panampilly Nagar P. O. Kochi - 682 036
Factory	:	OSSEIN DIVISION Kathikudam P. O., (Via) Koratty Trichur District - 680308 GELATIN DIVISION KINFRA Export Promotion Industrial Parks Ltd. P. B. No. 3109 Kusumagiri P. O., Kakkanad, Kochi-682 030
Website	:	www.gelatin.in

CONTENTS

SUBSIDIARY COMPANY

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

Kerala floods - relief extended by the Company

Employees of NGIL at work, cleaning up the flood ravaged houses

Relief packets getting ready at the Ossein Division for delivery to flood affected people.

Employees of NGIL supplying potable water at doorsteps

Board of Directors

Dr. K. Ellangovan IAS
Chairman

Sajiv K. Menon
Managing Director

Dr. Shinya Takahashi
Director (Technical)

Dr. Sharmila Mary Joseph IAS
Director

Koichi Ogata
Director

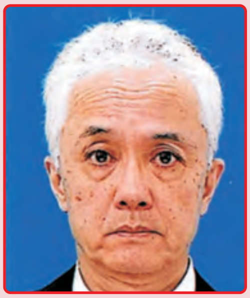
Hidenori Takemiya
Director

A. K. Nair
Independent Director

Radha Unni
Independent Director

Dr. K. Cherian Varghese
Independent Director

E.Nandakumar
Independent Director



Yoichiro Sakuma
Independent Director

FINANCIAL HIGHLIGHTS (10 Years)

(Rs. in lakhs)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 #	2017-18 #	2018-19 #
Total Income	19479.94	20638.94	24694.12	30897.61	28936.04	36115.70	36098.51	35016.44	34785.94	26190.30
Sales*	18940.60	19650.08	23810.08	29714.01	28030.33	34857.35	34706.54	31999.09	33537.98	25275.93
Exports (FOB)	9476.42	10092.68	13829.03	15620.93	16296.11	18274.81	17763.16	16534.72	16382.62	11507.79
Pre-tax Profit / (Loss)	3076.36	251.45	653.48	2613.01	(731.05)	1002.72	2643.13	3183.26	1073.68	(366.53)
Profit / (Loss) after tax	2546.14	189.15	508.08	1558.30	(495.92)	510.20	1668.24	2048.67	377.52	(263.66)
Total Comprehensive Income	-	-	-	-	-	-	-	2109.08	305.71	(151.18)
Earning per share (Rs.)	30.31	2.25	6.05	17.35	(5.47)	5.62	17.33	23.23	4.16	(2.90)
Dividend per share (Rs.)	6.00	4.00	4.00	4.00	0.00	1.00	2.50	2.50	2.50	1.50
Reserves, Retained Earnings and other Equity	9942.52	9739.87	9857.44	11070.49	10634.70	11252.07	12468.89	13009.86	13770.84	13346.02
Share Capital	840.00	840.00	840.00	840.00	907.92	907.92	2487.92	907.92	907.92	907.92
Shareholders' Funds	10782.52	10579.87	10697.44	11910.49	11542.62	12159.99	14956.81	13917.77	14678.76	14253.94
Return on Equity (%)	23.61	1.79	4.75	13.08	(4.30)	4.20	11.16	14.72	2.57	(1.85)
Book Value / Share (Rs.)	128.36	125.95	127.35	141.79	127.13	133.93	147.34	153.29	161.68	157.00
Gross Block	14336.36	15674.24	16299.51	17106.60	19515.84	20836.92	21817.54	9771.96	14232.44	15561.90
Net Block	6297.74	6813.56	6867.78	6794.23	8158.60	7727.07	8027.28	8733.35	11939.16	12136.94

*Sales is net of excise duty on domestic sales and freight & insurance on export sales.
Figures are as per INDAS compliant Financial Statements

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of M/s. Nitta Gelatin India Limited will be held on Friday, the 02nd Day of August, 2019 at 12.00 noon at Fine Arts Hall, Pallimukku, Cochin- 682 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, together with the Report of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2019, together with the Report of the Auditors thereon.
2. To declare Dividend on Optionally Convertible Preference Shares– 9,29,412 Shares of Rs. 170/- each @5.4029% p.a. absorbing an amount of Rs. 85,36,584.00 (excluding Dividend Tax).
3. To declare Dividend on Equity Shares.
4. To appoint a Director in place of Mr. Koichi Ogata (DIN: 07811482) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO. 5– APPOINTMENT OF MR. E. NANDAKUMAR (DIN: 01802428)-INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. E. Nandakumar (DIN:01802428) who was appointed as an Additional Director categorized as an Independent Director on 29.10.2018 pursuant to provisions of Section 161(1) of The Act and the Articles of Association of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from Mr. E. Nandakumar himself signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from the date of passing of this resolution, and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.

ITEM NO. 6– APPOINTMENT OF MR. YOICHIRO SAKUMA (DIN:08237722)-INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Yoichiro Sakuma (DIN: 08237722) who was appointed as an Additional Director categorized as an Independent Director on 29.10.2018 pursuant to provisions of Section 161 (1) of The Act and the Articles of Association of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from Mr. Yoichiro Sakuma himself signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from the date of passing of this resolution, and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.

ITEM NO. 7- RE-APPOINTMENT OF DR. SHINYA TAKAHASHI (DIN: 07809828) AS A WHOLE TIME DIRECTOR DESIGNATED AS DIRECTOR (TECHNICAL)

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

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 121(1) of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Dr. Shinya Takahashi (DIN: 07809828), as a Whole time Director designated as Director (Technical) of the Company for a period of two years with effect from 06.05.2019 on the wake of inadequacy of profits for the FY 2018-19 on the following terms and conditions:-

1.	Basic Pay	:	Rs. 1,35,000/- per month
2.	Designation	:	Director (Technical)
3.	Location of work	:	Nitta Gelatin India Limited Post Box. 4262, 54/1446, SBT Avenue Panampilly Nagar, Kochi – 682036, India.
4.	Period of appointment	:	Two years from 06.05.2019
5.	Housing	:	He shall be eligible for House Rent Allowance @50% of Basic Pay per month.
6.	Medical Benefits	:	Reimbursement of actual medical expenses incurred for self and family subject to an yearly ceiling of Rs. 15,000/-.Unveiled medical benefit for any year shall be allowed to be carried forward to the next year.
7.	Leave Travel Concession	:	Return passage for self and family once in a year by air by Economy Class, to and from his place of residence in Japan.
8.	Personal Accident Insurance	:	Shall be covered under a personal accident insurance policy at an annual premium not to exceed Rs. 6,000/- to the Company.
9.	Car	:	Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.
10.	Telephone	:	Free telephone and internet facility will be provided at residence.
11. Income tax liability arising out of the above will have to be borne by the employee.			
12.	Reporting Relationship	:	Director (Technical) shall functionally report to the Managing Director.
13.	Minimum Remuneration	:	In the event of loss or inadequacy of profits in any financial year, the Director (Technical) shall be paid remuneration by way of salary and perquisites as specified above.

"RESOLVED FURTHER THAT the Board of Directors be and is here by authorised to decided on all such other acts and steps as might be required for effecting and regularizing such appointment and remuneration".

ITEM NO. 8- PAYMENT OF REMUNERATION TO MR. SAJIV K.MENON (DIN: 00168228) MANAGING DIRECTOR, ON THE WAKE OF INADEQUACY OF PROFIT FOR THE FINANCIAL YEAR

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

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 121(1) of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the payment of remuneration to Mr. Sajiv. K. Menon (DIN: 00168228), Managing Director, during the financial year 2019-20 as were approved by the shareholders at the Annual General Meeting held in the year 2017 at the time of his re-appointment as Managing Director of the Company,on the wake of inadequacy of profit during the financial year 2018-19, more specifically detailed as here-in-below:-

1. Basic Pay

   Basic pay will be Rs. 3,32,750/- per month as on 1.4.2017 with an annual increment of 10% of the Basic pay.

   (A 10% increase on the then basic pay of Rs. 3,02,500/-)

2. Housing

   House Rent Allowance @50% of Basic Pay will be paid per month.

3. Personal Allowance *

   Personal Allowance payable will be Rs. 3,75,317/-per month.

4. Incentive *

   The maximum incentive payable will be Rs. 3,32,750/-per month and minimum Rs. 1,33,100/- per month as per the calculations laid before the then meeting of shareholders and approved.

5. Leave Travel Concession *

   The Leave Travel Concession payable shall not exceed Rs. 5,32,400/- per annum.

6. Furnishing, Gas, Electricity and Water

   Reimbursement of actual expenses incurred on Gas, Electricity, Water and Furnishing subject to a yearly ceiling of 20% of Basic Pay.

7. Medical Benefits

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

8. Personal Accident Insurance

   The annual premium not to exceed Rs.12,000/- to the Company.

9. Leave and Leave Encashment

   As per rules applicable to management staff of the Company.

10. Entertainment Allowance

    Entertainment allowance @ 10% of Basic Pay will be paid per month.

11. Provident Fund

    Company's contribution to the Provident Fund at rates as per Company's rules (currently 12% of Basic Pay).

12. Gratuity

    15 days' salary at the last drawn Basic Pay for every completed year of service.

13. Car

    Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.

14. Telephone

    Free telephone, internet and fax facility will be provided at residence.

15. Club Membership

    Membership fee of any two clubs will be reimbursed. No admission or life membership fees will be paid.

16. Minimum Remuneration

    In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.

17. Period of Appointment

    Period of appointment will be for three years with effect from 1st April, 2017.

18. Termination of Term of Office

The Company shall have the right to terminate the term of office of the Managing Director at any time by giving notice of not less than three months in writing or three months' salary and allowances in lieu thereof. The Managing Director shall also have the right to relinquish his office at any time before the expiry of his term by giving notice of not less than three months.

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

ITEM NO. 9- APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION BY THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of the Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and read with Regulation 23(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company by way of an Ordinary resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board which term shall be deemed to include any Committee which the Board may constitute for the purpose) for execution of contracts by the Company with Nitta Gelatin Inc, Japan, and Nitta Gelatin NA Inc., USA, Bamni Proteins Ltd. with whom the Company has common directorship to sell, purchase, or supply any goods or material and to avail or render any service of any nature, whatsoever, as Board in its discretion may deem proper, subject to complying with the procedures to be fixed by the Board or its Committee, upto an amount and as per the terms and conditions mentioned under Item No. 9 of the Explanatory Statement with respect to transactions proposed, and annexed hereto with notice.

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

By Order of the Board,

Kochi	G. Rajesh Kurup
09.05.2019	Company Secretary
	M.No: A8453

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
3. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed herewith.
4. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 27th July, 2019 to 2nd August, 2019 (both days inclusive) to determine the members, entitled to receive dividend which will be declared at the Annual General Meeting.
5. The dividend, if declared at the meeting will be paid on or after 10th August, 2019 to those Shareholders whose names appear on the Register of Members as on Record date.
6. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
7. Members are requested to notify the Registrar and Share Transfer Agent immediately of their

Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective Depository Participant in the case of demated shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/default.

8. The Company has appointed Cameo Corporate Services Limited, "Subramanian Building, 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.

9. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demated shares.

10. Members may kindly update their email address with the Company/ Registrar Cameo Corporate Services such that correspondence reach you without fail.

11. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the Company on request.

12. Members desiring any information as regards the accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of meeting to enable the management to keep the information ready.

13. Members are requested to note that trading of Company's shares through Stock Exchanges is permitted only in electronic/ demat form. Those members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.

14. Members attending the Annual General Meeting are requested to bring with them the ATTENDANCE SLIP sent along with the Annual Report.

15. The business also to be transacted through electronic voting system and the Company is providing facility for voting by electronic means including remote e voting.

16. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter, shall be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Dividend paid during the year 2011-12 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 11th August, 2019.

17. In case of joint holders attending the meeting, the member whose name appears as per Register of Members of the Company will be entitled to vote

18. Voting through electronic means

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended up-to-date, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to offer remote e voting facility to the members to cast their votes electronically as an alternative to participation at this Annual General Meeting (AGM).Please note that the remote e-voting through electronic means is optional. The Company is also providing the facility of poll at the meeting by way of ballot. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide remote e- voting facilities. The remote e - voting facility is available at the link https://www.evotingindia.com

The Company had fixed Friday, 26th July, 2019 as the cutoff date for determining voting right of shareholders entitled to participating in the e- voting process. In this regard, your demat account/folio number has been enrolled by the Company for your participation in e voting on resolutions placed by the Company on e-voting system.

COMMENCEMENT OF REMOTE E VOTING	END OF REMOTE E VOTING
TUESDAY, 30TH JULY, 2019 AT 9:00 A.M	THURSDAY, 01ST AUGUST, 2019 AT 5:00P.M

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

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on 26th July, 2019.

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

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders tab.

(iii) Now, select the "NITTA GELATIN INDIA LIMITED from the drop down menu and click on "SUBMIT

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user,please follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details# OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field in order to login.

viii) After entering these details appropriately, click on "SUBMIT tab.

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

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for NITTA GELATIN INDIA LIMITED on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION and against the same the option "YES/NO for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK, else to change your vote, click on "CANCEL and accordingly modify your vote.

xv) Once you "CONFIRM your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print option on the Voting page.

xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Shareholders can also cast their vote using CDSL's mobile app & m-voting available for android based mobiles. The m-voting app can be downloaded from Google Playstore. Apple and Windows phone users can download the app from the app store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

a) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

b) After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.

c) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

d) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs) and e-voting manual available at www.evotingindia.co.in under help section or send an email to helpdesk.evoting@cdslindia.com.
- The Company has appointed Mr Abhilash Nediyalil Abraham (M.No.22601 and (C.P No.14524) as the Scrutinizer for conducting the remote e- voting process in fair and transparent manner.
- The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting , a consolidated scrutinizer's report on the total votes cast in favor or against,if any,to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or the person authorized by him shall declare the result of the voting forthwith.

  The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.gelatin.in and on the website of CDSL immediately after the results have been declared by the Chairman. The Company shall simultaneously communicate the results to BSE Ltd.,Mumbai, who shall place the same in their web site.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

SPECIAL BUSINESS:

ITEM NO.5– APPOINTMENT OF MR. E. NANDAKUMAR (DIN: 01802428)-INDEPENDENT DIRECTOR

Mr. K. L. Kumar (DIN: 00004804), Independent Director, had ceased to hold office as Director of the Company consequent on his retirement at the AGM dated 03.08.2018. The Company, in order to be fully compliant with Section 150(2) of the Companies Act, 2013 regarding the required number of Independent Directors, had; at the Board meeting held on 29.10.2018, appointed Mr. E. Nandakumar as an Additional Director, and he fulfills the criteria prescribed for an Independent Director, under law.

He is a Chemical Engineer and trained in Strategic Business Management at the Harvard University, USA had started his career with SAIL at their Bokaro Steel Plant. He has 30 years of experience with the petroleum industry with vast experience in Project Management, Operations, Business Development and Marketing. He has served as a Director on the Boards of Cochin Port Trust, Cochin International Airport Limited, Petronet CCK and as an Independent Director in the State PSU, Malabar Cements Ltd. He was a member of advisory panel of various statutory and non-statutory bodies and involved in framing many of the safety standards for the Hydrocarbon industry as part of the OISD. He had participated as member / leader in the safety audits of several refineries in India. He is involved with social initiatives like "Nanma which is engaged in the capability enhancement of students from the economically backward section, Kochi Time Bank etc. Post superannuation, he worked for 3 years as a consultant in Vietnam.

Given his expertise and experience, Mr. E. Nandakumar was considered suitable for appointment as an Independent Director on the Board, in place of Mr. K. L. Kumar.

In the opinion of the Board of Directors Mr. E. Nandakumar fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act 2013 and the rules made thereunder and he is independent of the management. Directors are of the opinion that Mr. E. Nandakumar is a person of integrity and possess relevant expertise and experience. The Company has also received a declaration from Mr. E. Nandakumar that he meets with the criteria of independence as prescribed under section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Mr. E. Nandakumar himself under Section 160 of the Act proposing his appointment as an Independent Director of the Company for a term of five consecutive years from date of passing of this resolution. Upon his appointment, Mr. E. Nandakumar shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Mr. E. Nandakumar as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours of working days upto the completion of the AGM.

Except Mr. E. Nandakumar, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested - financial or otherwise- in this items of business.

ITEM NO.6– APPOINTMENT OF MR. YOICHIRO SAKUMA (DIN: 08237722)- INDEPENDENT DIRECTOR

Dr. Naotoshi Umeno (DIN: 06976100), Independent Director, had ceased to hold office as Director of the Company consequent on his resignation effective 04.08.2018. The Company, in order to be fully compliant with Section 150(2) of the Companies Act, 2013 regarding the required number of Independent Directors, had; at the Board meeting held on 29.10.2018, appointed Mr. Yoichiro Sakuma as an Additional Director, and he fulfills the criteria prescribed for an Independent Director, under law.

He is a Bachelor of Philosophy and associated with NGI, Japan as an Independent Director. Earlier to that, he was Director and Executive Vice President of Nitto Denko Japan.

Given his expertise and experience, Mr. Yoichiro Sakuma was considered suitable for appointment as an Independent Director on the Board, in place of Dr. Naotoshi Umeno.

In the opinion of the Board of Directors Mr. Yoichiro Sakuma fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and he is independent of the management. Directors are of the opinion that Mr. Yoichiro Sakuma is a person of integrity and possess relevant expertise and experience. The Company has also received a declaration from Mr. Yoichiro Sakuma that he meets with the criteria of independence as prescribed under section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Mr. Yoichiro Sakuma himself under Section 160 of the Act proposing his appointment as an Independent Director of the Company for a term of five consecutive years from date of passing of this resolution. Upon his appointment, Mr. Yoichiro Sakuma shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Mr. Yoichiro Sakuma as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours of working days upto the completion of the AGM.

Except Mr. Yoichiro Sakuma, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested - financial or otherwise- in this items of business.

ITEM NO. 7- RE-APPOINTMENT OF DR. SHINYA TAKAHASHI (DIN: 07809828) AS A WHOLE TIME DIRECTOR DESIGNATED AS DIRECTOR (TECHNICAL)

Dr. Shinya Takahashi was appointed as Director (Technical) in the year 2017, with Central Government approval, replacing Mr. Takeo Yamaki as Whole Time Director of the Company designated, as Director (Technical) for a period of two years beginning 09.05.2017 consequent on the latter tendering his resignation with effect from 01.04.2017 on getting reverted to the services of NGI Japan.

Pending completion of the two year term, Dr. Shinya Takahashi was proposed for reappointment by NGI, Japan, where after the Board of Directors at their meeting dated 06.05.2019 re-appointed Dr. Shinya Takahashi as Director (Technical) for a further term of two years beginning that date, on such terms and conditions as were originally approved at the time of his appointment and more specifically detailed as part of the resolution. The reappointment of Dr. Shinya Takahashi by the Board of Directors requires approval/confirmation by the Shareholders as envisaged under the provisions of Section 197(4) of the Companies Act, 2013.

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

Your Board of Directors at their meeting dated 06.05.2019, on detailed consideration of the recommendations of Nomination and Remuneration Committee, recommends to the General Body of shareholders, reappointment of Dr. Shinya Takahashi as a Wholetime Director designated as Director (Technical) on the existing terms and conditions, subject to such other approvals by the Statutory and Regulatory Authorities as might be applicable.

This Explanatory Statement along with the General Information commonly given both for the offices of Whole time Director and MD excepting their personal (appointee) details on the wake of inadequacy of profit for payment of remuneration for the year 2019-20, may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

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

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

GENERAL INFORMATION

APPOINTEE DETAILS

BACKGROUND:

Dr. Shinya Takahashi holds a PhD. from Chiba University and Graduate School of Advanced Integration Science. Dr. Shinya Takahashi had held position of General Manager (Quality Assurance) in Nitta Gelatin Inc., Japan before joining Nitta Gelatin India Ltd. as its Director (Technical) in the year 2017.

PAST REMUNERATION (FY 16-17):

No remuneration drawn from domestic Companies in India.

RECOGNITION OR AWARDS:

He has long years of experience at Nitta Gelatin Inc., Japan, leaders in Gelatin Industry in Asia Pacific region.

JOB PROFILE AND HIS SUITABILITY:

Dr. Shinya Takahashi as Director (Technical) looks after the operations of the Company, specifically, technical and quality aspects with respect to raw material, production and process, in addition to R&D projects. He reports to the Managing Director of the Company.

REMUNERATION PROPOSED:

The remuneration payable is outlined in the corresponding resolution itself.

COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON:

The proposed remuneration is lower than that of similar designated / positioned executives in the industry in Japan.

PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY

Dr. Shinya Takahashi does not have any other direct or indirect pecuniary relationship with the Company or relationship with any managerial personnel.

ITEM NO. 8- PAYMENT OF REMUNERATION TO MR.SAJIV K.MENON (DIN: 00168228)- MANAGING DIRECTOR, ON THE WAKE OF INADEQUACY OF PROFIT FOR THE FINANCIAL YEAR

Mr. Sajiv K. Menon, Managing Director was reappointed as such at 41st AGM of the Company dt. 24.06.2017 for a period of three years ending 31.03.2020 pursuant to Sections 198, 269, 309, 310, 311 and Schedule V and such other applicable provisions of the Companies Act, 2013 and in terms of Article 127 (1) of the Articles of Association of the Company.

The re- appointment of Mr. Sajiv K. Menon as Managing Director on such terms and conditions as approved by the shareholders, now necessitate an approval by Special Resolution of the shareholders in the light of the provisions under the Companies Act, upon consideration of General information as mandated under Para C Section II Part II Schedule III of The Companies Act, 1956, since the Company had no profits / inadequate profits for the year 2018-19 consequent on merger of the Subsidiary Company, M/s. Reva Proteins Limited with M/s.Nitta Gelatin India Limited, where after the accumulated loss in the Books of Accounts of the former, got absorbed in the financials of the latter for the year. The amendment to the relevant provisions under the Companies Act, apart from mandating a Special Resolution to continue with the remuneration on the wake of inadequacy of profit, does not mandate an approval by Central Government as had hitherto been provided under the relevant provisions of the Act.

Mr. Sajiv K. Menon is possessing adequate qualification and specialized knowledge in the field of his profession and is not having any interest in the capital of the Company or its Subsidiary Company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company or its holding Company at any time during the last two years before or on the date of appointment.

The continuation in payment of remuneration to Mr. Sajiv K. Menon as were approved by the shareholders warrant a Special Resolution on consideration of the general information as here-in-below.

Except Mr. Sajiv K. Menon, no other Director is concerned or interested in this resolution.

I GENERAL INFORMATION

(1) **NATURE OF INDUSTRY:** The Company is a manufacturer of Ossein, Gelatin and Collagen Peptide.

(2) **DATE OR EXPECTED DATE OF COMMENCEMENT** of commercial production: The Company was incorporated on 13/04/1975. Commercial production started on June 1979.

(3) **IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY THE FINANCIAL INSTITUTION APPEARING IN THE PROSPECTUS: N.A**

(4) **FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS:**

(RS.IN LAKHS)

Particulars	2017-18	2018-19
Sales	33853.76	25146.59
Net Profit / (Loss) after tax	60.74	(186.84)

(5) **FOREIGN INVESTMENT OR COLLABORATORS, IF ANY:** Foreign collaboration of Nitta Gelatin Inc., (NGI), Japan, a leading global Gelatin manufacturer. NGI holds 42.96% in the equity of the Company.

II INFORMATION ABOUT THE APPOINTEE

1. Background details: Mr. Sajiv K.Menon is a B.Tech (Chemical Engineering), REC Trichi (1980 - University 3rd Rank Holder) and PGDM (Finance and Marketing), IIM Bangalore, besides being a Fulbright Scholar at Carnegie Mellon University, US. He started his career in the year 1980 as a Project Engineer in Grind well Norton Limited (Abrasive Industry) before joining ONGC, Dehradun as an Executive Assistant to Chairman and Member in the year 1984. Later with Aruna Sugars Limited from the year 1986 to 1997, he worked starting as an Assistant Manager (Projects) and was their Dy.GM (Diversification and Planning) at the time of his resignation. Thereafter he worked with Murugappa Group (A 225 Billion Group) in various capacities from the year 1997 till he became CEO and Business Head of the business of Bio and Nutraceuticals products of EID Parry (India) Limited. Mr. Sajiv K. Menon brings with him the above experience and expertise while continuing as Managing Director of Nitta Gelatin India Limited.

2. **PAST REMUNERATION DRAWN (FY 2012-13):** Rs. 1.5 Crores p.a

3. **RECOGNITION/AWARDS ACHIEVEMENTS:** A third rank holder from REC, Trichy, in B.Tech (Chemical Engineering). Also a Fulbright Scholar at Carnegie Mellon University, US, a global research University.

4. **JOB PROFILE AND HIS SUITABILITY:** Mr. Sajiv K. Menon exercises substantial executive power, under the control and direction of the Board of Directors of the Company. He is responsible for overall operations and working affairs of the Company. He is managing under his direct control, the core departments of the Company viz. production, marketing, finance, R&D, information technology, human resource

development and materials. Considering his academic credentials and successful tenure with a premier organization and hands on experience in bio & nutraceutical products, he is best suited for the responsibility as Managing Director of the company on payment of the proposed remuneration.

5. **REMUNERATION PROPOSED:** The remuneration payable is outlined in the corresponding resolution itself.

6. **COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON:** The proposed remuneration is at par with 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. Sajiv K. Menon does not have any other direct or indirect pecuniary relationship with the Company or relationship with any managerial personnel.

III OTHER INFORMATION

1. REASONS OF LOSS OR INADEQUATE PROFITS:

During the financial year ended 31.03.2019, the Company has registered a net loss on account of the following factors:

a. There was interruption and stoppage of production at the Ossein plant of the Company at Kadukutty Panchayat, Trichur District for around five months during the financial year on account of Kerala floods followed by severe water shortage. This plant being the mother plant catering to the requirements of our Gelatin plant, the impact of such prolonged interruption of production had caused a serious drain on the revenue of the Company.

b. The merger of Reva Proteins Ltd. Subsidiary Company with Nitta Gelatin India Ltd. absorbed a cumulative loss of around Rs. 8.00 cr. of the former.

c. Change in business model of subsidiary Company Bamni Proteins Ltd.

2. STEPS TAKEN / PROPOSED TO BE TAKEN FOR IMPROVEMENT

The inadequacy of profit resultant of the merger of subsidiary Company as herein above mentioned, being an unusual activity during the year is not to repeat in future years as it did during the year under reckoning.

IV DISCLOSURE

1. A special resolution and detailed explanatory statement about the terms and conditions thereof of Mr. Sajiv K. Menon is presented under the Notice convening the ensuing Annual General Meeting.

2. The details regarding remuneration package etc., of all other Directors, are produced in the Corporate Governance Report, annexed to the Directors' Report.

ITEM NO.9- APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION BY THE COMPANY

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. The provisions of Section 188 (1) of the Companies Act, 2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned therein, with the Related Party(s), the Company must obtain prior approval of the Board of Directors.

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

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

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

In the light of the provisions of the Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its related parties for the period 01.10.2019 to 30.09.2020.

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

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

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2019 TO 30.09.2020 FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT 2013.

Name of Related Party	Director/KMP #	Nature of Relationship	Nature of Transaction	Period of Transaction	Maximum value of Transaction (Rs. In lakhs)
Nitta Gelatin Inc., Japan	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2019 to 30.09.2020	15000
	Dr.Shinya Takahashi	Nominee of Nitta Gelain Inc, Japan	Availing of services	01.10.2019 to 30.09.2020	300
Nitta Gelatin Inc., USA	Koichi Ogata	Director& Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2019 to 30.09.2020	12000
	Dr.Shinya Takahashi	Nominee of Nitta Gelain Inc, Japan	Availing of services	01.10.2019 to 30.09.2020	150
Bamni Proteins Ltd.	Sajiv K Menon	Managing Director, Nitta Gelatin India Ltd	Sale of Goods	01.10.2019 to 30.09.2020	8000
	Dr Shinya Takahashi	Nominee of Nitta Gelatin Inc, Japan			

 # Director / KMP - whose relationship only by virtue of holding office as such and not by reason of individually holding 2% of paid up Share Capital in the Company having relationship.

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

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

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

By Order of the Board,

Kochi

09.05.2019

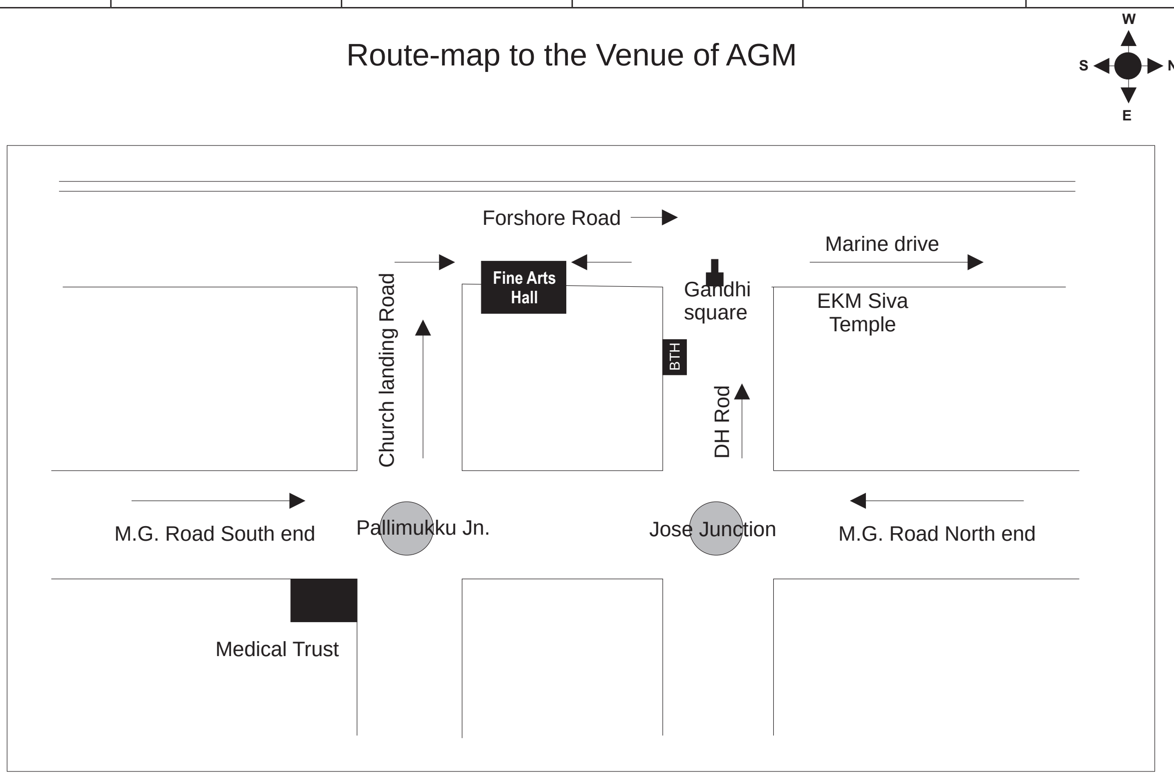
G. Rajesh Kurup

CompanySecretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ APPROVAL OF TERMS OF APPOINTMENT AS REQUIRED UNDER REGULATION36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

Name	E.K Nandakumar	Yoichiro Sakuma	Koichi Ogata	Dr Shinya Takahashi	Sajiv K Menon
Age (Years)	67	63	61	58	59
Nationality	Indian	Japanese	Japanese	Japanese	Indian
Date of appointment	29.10.2018	29.10.2018	02.08.2019	06.05.2019	24.06.2017
Qualification	Chemical Engineer	Bachelor of Philosophy	Bachelor of Science, Tohoku University	PhD from Chiba University and Graduate School of Advanced Integration Science	B. Tech (Chemical Engineering) from REC, Trichy and PGDM (Finance and Marketing), IIM Bangalore,
Expertise	He has 30 years of experience with the petroleum industry with vast experience in Project Management, Operations, Business Development and Marketing	Associated with NGI, Japan as an Independent Director. Earlier to that, he was Director and Executive Vice President of Nitto Denko Japan.	President of NGI,Japan	He has long experience at Nitta Gelatin Inc., Japan Leader in Gelatin in Asia Pacific Region.	He has long experience of more than 33 years in various capacities in Engineering and Chemical Industries before joining NGIL as its MD on 01.04.2014.
Other Directorships excluding Foreign Companies	NIL	NIL	NIL	1	1
Member / Chairman of committees of other Companies	NIL	NIL	NIL	NIL	NIL
Relationship, if any, between Directors interse	NIL	NIL	NIL	NIL	NIL
Share holding in the Company	NIL	NIL	NIL	NIL	NIL

Route-map to the Venue of AGM



DIRECTORS' REPORT

To

THE MEMBERS OF

NITTA GELATIN INDIA LIMITED

Your Directors have pleasure in presenting the 43rd Annual Report and audited financial statements of your Company for the year ended 31st March, 2019.

The Statement of Accounts has been prepared in accordance with Indian Accounting Standards (IND AS) which are applicable to the Company w.e.f. 1st April, 2017 as per the Rules laid down in this regard. The Accounts including that of the Subsidiary Company, Reva Proteins Ltd. which has been merged with your Company w.e.f. 1st April, 2017 as per the Scheme of merger approved by the orders of Hon'ble National Company Law Tribunal, have been restated.

MERGER OF SUBSIDIARY – REVA PROTEINS LTD.

The Subsidiary Company Reva Proteins Ltd. which began commercial production in the year 2012-13 could not be operated at planned capacity utilization level due to restriction on discharge of treated effluent on account of delay in the commissioning of the marine discharge effluent pipeline as committed by the Gujarat Government. The delay has resulted in accumulated losses for the Company for the past several years. Though the marine effluent discharge line was made operational during the year 2017-18, the high Ammoniacal Nitrogen content in effluent stream arising out of disruptions in production following the maintenance issues in marine effluent pipeline for discharge has also affected the capacity utilization levels for the year 2017-18 and significantly eroded the quantum of inventories and receivables with corresponding reduction in drawing power for working capital arrangement.

The merger is expected to bring about synergy of operations for achieving organizational effectiveness and control and achieving economies of scale. It will also enable optimal utilization of resources and better working capital management.

Under such circumstances, the Board of Directors of Reva Proteins Ltd. (Transferor Company) and Nitta Gelatin India Ltd. (Transferee Company) resolved at their meeting on 03.02.2018 subject to required regulatory approvals, to merge the former with the latter such that "a total of 44,44,444 Redeemable Preference Shares of Rs. 10/- each, be credited as fully paid up preference share capital of the Transferee Company, in the share exchange ratio of One Hundred (100) Redeemable Preference Shares of NGIL of INR 10/- each fully paid up for every One Hundred and Eight (108) equity shares of RPL of INR 10/- each fully paid up with the following terms:-

a. Such Preference Shares shall be entitled to a fixed dividend of 6 months LIBOR plus 500 basis points.

b. A right to exercise Put and Call option for repayment shall be given at the expiry of 5 years from the date of allotment subject to such approvals as may be required.

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

Based on the application of the Company following the approval by the Directors for the merger in their meeting held on 3rd February, 2018 BSE Ltd vide its letter Ref. No. DCS/AMAL/SD/R37/1281/2018-19 dated 28th September, 2018 issued its observation letter to the Company after getting confirmation/comments from SEBI. Both the Companies thereafter filed Company Application No. CA/193/CAA/2018 and CA/192/CAA/2018 separately on 22nd October, 2018. NCLT vide its Order dated 12th November 2018 ordered to convene the meetings of equity and preference shareholders and secured and unsecured creditors on 27th December 2018. The meetings of equity, preference, and unsecured creditors were held on 27th December, 2018 and the meetings of secured creditors were held on 3rd January, 2019. All the meetings passed the Scheme of Merger and Amalgamation with requisite majority both under the Companies Act as well as SEBI Circular/ Regulations and the Chairman's Report along with Scrutinizer's report were filed with the NCLT on 02nd January, 2019 and 4th January 2019. On 21st January 2019 a joint Company Petition No. CP/252/CAA/2019 in connection with CA/192 &193/CAA/2018 was filed with National

Company Law Tribunal, Chennai for sanctioning the Scheme of Merger and Amalgamation. NCLT vide its order dated 27th March, 2019 approved the Scheme of Merger and Amalgamation and directed the Company to file the certified copy of the order with Registrar of Companies, Kerala within 30 days from the date of receipt of the order. Both the Companies filed Form INC-28 on 03rd April, 2019 with ROC Kerala. Pursuant to this order, the following emerges:-

1) The appointed date of the merger is 01.04.2017 and the effective date is 03.04.2019 when certified copy of the NCLT order was filed with Registrar of Companies, Kerala.

2) Upon merger, the Authorised capital of the Company has been increased to Rs. 80,24,44,480/- from the existing Authorised Capital Rs. 35,80,00,040/- and Memorandum of Association of the Company has been altered to that extent.

3) The Company had issued 44,44,444 Redeemable Preference Shares of Rs. 10/- each to Nitta Gelatin Inc. Japan as consideration for the merger.

The Company is now in the process of pursuing the post implementation merger activities.

SHARE CAPITAL

The Authorised Share Capital of your Company upto 26th March 2019 was Rs. 35,80,00,040/- (Rupees Thirty Five Crores Eighty Lakhs and Forty only) comprising of two crore Equity Shares of Rs. 10/- each and 929,412 non-cumulative Preference Shares (OCPS) of Rs. 170/- each. Nitta Gelatin Inc., (NGI) Japan had not exercised the option to convert the OCPS shares into Equity Shares at the end of 18 months from date of its allotment as per terms of the issue.

While so, National Company Law Tribunal (NCLT), Chennai vide its order dated 27th March, 2019 sanctioned the Scheme of Merger and Amalgamation between the Company and its subsidiary Reva Proteins Limited. Consequent to this, the Authorised Share Capital of the Company was enhanced from Rs. 35,80,00,040/- to Rs. 80,24,44,480 (Eighty Crores Twenty Four Lakhs Forty Four Thousand Four Hundred Eighty only) comprising of 4,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs. 40,00,00,000 (Rupees Forty Crores) and 9,29,412 Non-Cumulative Preference Shares of Rs.170/- each aggregating to Rs.15,80,00,040/- (Rupees Fifteen Crores Eighty Lakhs and Forty only) and 2,00,00,000 Optionally Convertible Preference Shares of Rs 10/- each aggregating to Rs. 20,00,00,000/- (Rupees Twenty Crores only) and 44,44,444 Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 4,44,44,440/- (Rupees Four Crores Forty Four Lakhs Forty Four Thousand Four Hundred and Forty only) for enabling the issue of Preference Shares as consideration for merger to M/s. Nitta Gelatin Inc., Japan as per the approval in the meeting of the Shareholders held on 27th December 2018.

ALLOTMENT OF PREFERENCE SHARES

As per the scheme approved by the shareholders and the Hon'ble NCLT, upon the coming into the effect of Scheme of Merger and Amalgamation of Reva Proteins Ltd. (Transferor) with the Company and in consideration of the transfer and vesting of undertaking of the Transferor Company in the Company in terms of the scheme, the Company shall issue and allot to remaining Equity Shareholders of the Transferor Company, whose name is entered in the Register of Members of the Transferor Company on the Record Date, a total of 44,44,444 Redeemable Preference Shares of Rs. 10/- each, credited as fully paid up of the Transferee Company, in the following share exchange ratio;

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

PERFORMANCE

The gross revenue from operations of your Company during the year under review was Rs. 261.19 crores. There was an increase in sales realisation per unit of Gelatin with the growth in Gelatin demand worldwide. Though the after effect of the flood in Kerala in August 2018 and the blockade caused in the creek conveying water from the river to the Company's pump house at Ossein Division by certain persons acting unlawfully, have impacted production during the year, the improved price realization per unit for Gelatin, Di calcium Phosphate and Collagen Peptide has enabled the Company to limit its losses. In addition, the lower capacity utilization at Reva Division of the Company due to the unstable effluent treatment system, has also impacted the operational results of the Company.

The business model of Bamni Proteins Ltd., subsidiary of the Company, with which the Company had a job processing arrangement till the end of the financial year 2017-18 was changed to an Independent manufacturer and seller w.e.f. 01.04.2018. This business model change has also impacted the turnover of the Company as well as the profitability of the standalone operations.

The deluge in Kerala in August 2018 has affected the operations of Ossein Division of the Company for the period 15th August, 2018 to 27th August, 2018; the Gelatin Division's operations were also impacted for about 5 days. Water entered the Ossein plant of the Company damaging several equipment. In addition about 200 meters of the compound wall were also damaged. Insurance claims have been filed by the Company with New India Insurance Company Ltd. and the same is under processing. The Company could retrieve the materials in process without any damage. The area near our factory was badly affected by the floods causing severe destruction and rendering many people in the nearby area homeless. Your Company and its employees played a key role in rescuing many marooned persons, providing food, arranging medical camps and distributing free medicines, clothing and other essential items to alleviate their sufferings.

Lower water levels in the Chalakudy river following the floods on account of the damage to the shutters due to deluge and the blockade in the creek carrying the water from the river to Company's pump house had impacted the production activities of Ossein Division of the Company in the months of August 2018 to January 2019. As per the directions of the Hon. Industries Minister arising out of the discussions at the meeting chaired by him on January 16, 2019, the creek was dredged under the supervision of the Irrigation Department on 22nd January 2019 and supply of water was restored whereby the Ossein factory could resume its operations. Though the Company could manage to sustain the operations of Gelatin plant by procuring Ossein from other manufacturers, the resultant higher cost of operations has impacted the operational results of the Company.

With some of the Gelatin plants not in full scale operation during the year and the resultant low demand for crushed bone, crushed bone prices remained stable. However, acid prices have gone up by 69%, adversely impacting the cost of production. The per unit price realization has gone up by 2% for Ossein, 3% for Gelatin & DCP and 17% for Collagen Peptide due to robust demand. The sales of Collagen Peptide had witnessed a revival; however supply of the raw material, fish protein, on account of regulatory issues continued to pose a challenge, the weakening of Rupee against USD during 2018-19 as compared to 2017-18 has also contributed to better sales realisation on exports.

In the backdrop of this situation, your Company exercised close monitoring and strict control over each significant element of cost, and achieved appreciable savings. There was significant reduction in power cost as a result of various cost control measures in both the Divisions of the Company. Though the price of LNG, firewood and furnace oil has increased during the year, cost control measures helped the Company to keep costs under control. Factory overheads witnessed cost increase due to the comprehensive annual shut down taken in Gelatin Division during the year and the disposal costs incurred for clearing the accumulated sludge in the aeration tanks of effluent treatment plant of both the Divisions. Administration overheads was maintained at last year levels through appropriate controls.

With regard to finance cost, the Company could effectively leverage low cost foreign currency loans though interest rates have gone up as LIBOR has gone up to 2.60% from 1.30% during the course of the year.

The products of your Company continued to enjoy robust market demand during the year under review. The entire sale of Ossein / Limed Ossein, 46.08% of the total sale of Gelatin and 47.80% of Collagen Peptide was through exports. Your Company has arrangements with its overseas promoter, Nitta Gelatin Inc., Japan to leverage their expertise and market insights in servicing its customers in a pro-active manner in line with the global standards of NITTA Group.

All the factories owned by the Company are being operated in strict compliance with the applicable regulations and standards prescribed by the Statutory authorities including the State Pollution Control Board. The Kadukutty Panchayat in Thrissur District did not renew the factory license for our Ossein Plant at Koratty for the year 2018-19 and we have moved the matter before the High Court of Kerala. The Court has ordered status quo in the matter till final disposal of the writ petition filed by the Company. In addition, during the year Company has also applied for Panchay at License for the financial year 2019-20 which was also rejected by the Panchay at. The Company had filed a writ petition before the High Court for Stay of the Panchayat's orders and the High Court vide order dated 27th March 2019, has directed the Company to file an appeal before the Tribunal for Local Self Government Institutions and directed the Tribunal to pass an order within 2 months and also directed that status quo be maintained till such time.

During the year, the Pollution Control Board has renewed the validity of the Consent to operate upto 30th June 2023 for the Ossein Division. Similarly for Gelatin Division, during the year the Company has renewed the Consent to operate upto 30th June 2023.

Operational Excellence fairs were conducted at the Ossein and Gelatin Divisions of the Company with active involvement of the employees. Some of the members of the nearby Panchayats and also the Directors of the Company participated in the fair which showcased the various types of products offered and the initiatives pursued by the Company for business excellence.

FINANCIAL HIGHLIGHTS

The results of the financial year 2018-19 have been restated after considering the impact in the merger of Reva Proteins Ltd. with the Company.

The operations of the Company for the year 2018-19 have resulted in a pre-tax loss of Rs. 3.67 Crores (as against a pre-tax profit of Rs. 10.74 Crores during the year 2017-18).

(All amounts in Rs. Crore, unless otherwise stated)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sales (including export incentives and net of Excise Duty & VAT)	261.19	343.33
Other Income	0.71	4.53
TOTAL	261.90	347.86
Gross Profit before Depreciation	10.60	25.06
Deducting therefrom:		
Depreciation	14.26	14.32
Provision for Tax -		
- Current Tax	-	(2.78)
- MAT Tax	-	2.78
Deferred Tax	1.03	(6.96)
- Prior years	-	-
Profit after Tax from continuing operations	(2.64)	3.78
Other comprehensive income (net of tax)	1.12	(0.72)
Total comprehensive profit for the year	(1.52)	3.06
Profit brought forward from previous year	(7.69)	(7.71)
Balance Profit available for appropriation	(2.64)	3.78
Appropriations :		
Dividend on Preference Shares	-	0.85
Final dividend on equity shares- paid	2.27	2.27
Tax on dividend	0.46	0.64
Transfer to General Reserve	-	-
Balance profit carried forward to next year	(13.06)	(7.69)
Earnings per share (Rs.)		
Basic	(2.90)	4.16
Diluted	(2.90)	4.16

Note : Dividend on preference shares in 2018-19 is considered as finance costs.

DIVIDEND

Even though the Company has recorded losses for the current year, considering the Company's past performance the Board has recommended a dividend of Rs. 1.5 per share i.e. 15% of the face value of Rs. 10/- per share on the Equity Capital for the year ended 31st March, 2019. The Board has also recommended dividend @ 5.4029% p.a. on the 929,412 Optionally Convertible Preference Shares of face value of Rs. 170/- each for the year ended 31st March, 2019. This dividend payment is out of the past profits of the Company and is subject to approval of the members at the ensuing Annual General Meeting.

Together with Distribution Tax on dividend, the total outflow on account of dividend will be Rs. 267.07 lakhs (Rs. 375.94 lakhs in the financial year 2017-18) comprising of Rs. 85.36 lakhs on Preference Shares (Rs. 85.36 lakhs in the financial year 2017-18) and Rs. 136.18 lakhs on equity shares (Rs. 226.78 lakhs in the financial year 2017-18).

During the year, unclaimed dividend of Rs. 2.36 lakhs pertaining to the year ended 31st March, 2011 was transferred to the Investor Education & Protection Fund after giving due notice to the members.

RESERVES

No amount is transferred to General Reserve during the year. The Company has recognized capital reserves amounting to Rs. 2750.62 lakhs on account of the merger (including deferred tax asset on the unabsorbed business loss of Reva Proteins Ltd. carried over from previous years as per tax books for an amount of Rs. 1609 lakhs and other appropriate adjustments).

Reserves as on 31.03.2019 comprises of Security Premium of Rs. 2895.90 lakhs, equity contribution on External Commercial Borrowings and Preference Share Capital Rs. 984.42 lakhs, Special Export Reserve of Rs. 79.00 lakhs, General Reserve of Rs. 7836.64 lakhs, Debit Balance in the Profit and Loss Account of Rs. 1306.39 Lakhs, Capital Reserve of Rs. 2750.62 lakhs, and other comprehensive income of Rs. 105.83 lakhs aggregating to Rs. 13346.02 lakhs.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

The Company has provided Corporate Guarantee on behalf of Bamni Proteins Ltd. (subsidiary Company) to the lenders towards its borrowings for working capital requirement to the extent of Rs. 750 lakhs and the Company has also received request for providing Corporate Guarantee for another Rs. 250 lakhs to the lenders for increase in working capital requirements of the Company.

Details in respect of other loans, guarantees and investments covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes on accounts for the financial year ended 31st March, 2019 and such loans, guarantees and investments are within limits prescribed under that Section.

CREDIT RATING

During the year, rating agency CRISIL has re-affirmed the rating of "CRISIL A-" and maintained outlook as "Negative" for Long Term Instruments and retained "CRISIL A2+" rating for short term instruments.

AWARDS & ACCOLADES

During the year, your Company was awarded:

a) National Institute of Personal Management's Best Corporate Citizen Award for the FY 2017-18 for the various social welfare activities undertaken by the Company as part of its CSR initiatives.

b) "Silver Category Recognition by CII based on the last Business Excellence assessment score done in March 2018.

c) "3 STAR rating for its Environment, Health and Safety system based on the CII assessment.

d) Customer Centric Business Partner Award from Abbot Limited for the best support in supplies during the financial year 2017-18.

The following prestigious certifications are retained by your Company:-

(a) European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division

(b) CAPEXIL plant approval certificate for Ossein Division and Gelatin Division for the export of Ossein, Gelatin and Collagen Peptide.

(c) HACCP Certificate for Ossein Division for food safety.

(d) ISO 14001:2015 for Gelatin Division for Environment Management System

(e) ISO 9001: 2015 for Quality Management System of the Company.

(f) FSSC Certification for Food Safety Management System for Gelatin Division

(g) FSSAI Certification for manufacturing, import / export of Gelatin & Collagen Peptide

(h) WHO GMP Certification as per World Health Organisation / Codex for manufacture of Gelatin & Collagen Peptide

(i) Halal / Kosher Certification for Gelatin and Collagen Peptide

(j) NABL Accreditation for in-house laboratory of Gelatin Division.

(k) OSHAS 18001:2007 Certification for Occupational, Health and Safety Standards for Gelatin Division and Ossein Division.

HEALTH, SAFETY AND ENVIRONMENT

Compliance with relevant regulations and effective management of the related issues is an integral part of the Company's philosophy.

1. HEALTH AND SAFETY

The Company is committed to promoting the health and safety of its employees. In addition to the Head (Safety) for the Company, each plant has a Safety Officer and Safety Committees which include representation from workmen and executives. The Committees meet regularly to review issues impacting plant safety and employee health. Regular health checkup of the employees is carried out through tie-up with reputed hospitals. Various training programmes are conducted at the plant on health and safety issues including emergency preparedness, work safety, first-aid, etc. Our Ossein factory has received the OSHAS certification during the year, which is a testimony to the Company's commitment in this area. During the year, the Company has also entered into an agreement with Nitta Gelatin Inc. (NGI) whereby as part of services in the areas of Environment, Health & Safety, NGI shall provide qualified expertise for providing assistance to ensure safety of operations of the Company and its subsidiaries in areas including benchmarking, sharing information on incidences in group companies, establishing robust and standardized procedures and controls, audits, action item, review and follow up, developing appropriate key performance indicators and regular reporting to the management of the Company, its subsidiaries and NGI.

2. ENVIRONMENT

The Company continuously endeavors to enhance Environmental Management and through all activities demonstrates its commitment to protect the environment. The factories of the Company are equipped with modern effluent treatment plants for treating and discharging treated water with parameters well within the norms laid down by the respective State pollution Control Board. The emissions from the boilers and generator stacks are regularly monitored for compliance. A substantial portion of the raw effluent from the production process is now being subjected to biomethanisation at the two biogas generators at the Ossein plant, reducing the organic load in the subsequent treatment process by reducing the generation of sludge considerably; the biogas generated is being used for partly meeting the Company's energy requirements. Diffused Air floatation System for effective grease removal and suspended solids, Primary Treatment System Reinforcement, ETP Automation, introduction of Chemical treatment and Activated Carbon System in Fresh Water Treatment Plant for improving the water quality and improving the process stability, addition of 3 nos diffused aerators in ETP System and commissioning of multi grade Sand Filters before final discharge point of treated water are some of the initiatives carried out during the year to ensure protection of the environment and sustainability of operations at Ossein Division. The Company is also exploring possibility of usage of sludge which has a high calorific value for burning in the boilers to reduce dependence on other fuels.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

Total CSR expenditure incurred by your Company during the year was Rs. 53.05 Lakhs meeting the statutory requirement of 2% of the average profit for the last three years.

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

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In accordance with SEBI LODR Regulations, the Company's policy on materiality of subsidiaries specifying the criteria for determining the Material Subsidiaries is available in the Company website - www.gelatin.in. As per such criteria, the Company has no material subsidiary as of 31st March, 2019.

SUBSIDIARY COMPANIES

1. BAMNI PROTEINS LIMITED

The annual production during the year in this Subsidiary Company was 2193 MT of Ossein and 5240 MT of Di- Calcium Phosphate as against 2580 MT of Ossein and 6000 MT of Di-Calcium Phosphate during the previous year.

The operation of this Subsidiary for the year under review has resulted in a pre- tax profit of Rs. 1165.77 lakhs (Rs. 114.60 lakhs in the previous year) post-tax profit of Rs. 822.16 Lakhs (Rs. 82.50 lakhs in the previous year) and other comprehensive income of Rs. 18.51 lakhs (Loss of Rs. 5.35 lakhs) during the previous financial year.

2. REVA PROTEINS LIMITED

On 03rd April, 2019 the Company has been dissolved. i.e. date on which the certified true copy of the order was filed with the Registrar of Companies, Kerala

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

The statement containing the salient features of the financial statement of the subsidiaries under first proviso to Sub-Section (3) of Section 129 of the Act in Form AOC I is attached as **Annexure II.**

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

Annual accounts of the Subsidiary Company and related detailed information shall be made available to the shareholders of the Company and Subsidiary Company seeking such information at any point of time. The annual accounts of the subsidiary company shall also be made available for inspection by any shareholder at the Registered Office of the Company and Subsidiary Company concerned. Hard copy of details of accounts of Subsidiary shall be furnished to any shareholder on demand. Further, pursuant to Indian Accounting Standard (Ind AS) 110 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its Subsidiary.

STATUTORY AUDITORS' REPORT

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

SECRETARIAL AUDITORS' REPORT- EXPLANATION TO OBSERVATIONS OF AUDIT

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

Sl. No.	Observation	Our explanation
1	On analysis of the SEBI (LODR) 2015, it is found that there was shortfall of Independent Directors in the Board for the short period between 03.08.2018 and 28.10.2018 consequent to retirement of Mr. K. L. Kumar as well as resignation of Dr. Naotoshi Umeno on 03.08.18 and 04.08.18 respectively. Consequent to which the number of Independent Directors on the Board got reduced to three which was one short of the statutory requirement for the shorter period. Resultantly, the number of members of the NRC and SHRC also fell below the minimum. However, sufficient number of Independent Directors were appointed on to the Board and its Committees on 29.10.2018 to meet the statutory requirement. The Company is advised to maintain sufficient numbers of Independent Directors on the Board as well as committees all the time.	The Company had conformed to the provisions of the Listing conditions which states that an outgoing Independent Director(s) shall 'be replaced by new Independent Director(s) by the listed entity at the earliest but not later than the immediate next meeting of the Board of Directors or three months from the date of such vacancy, whichever is later. In fact, the Company had at the succeeding meeting itself appointed Independent Directors in replacement of those Directors who vacated office. We had also occasion to clarify this point to BSE as against their query on the point, which was in reply to our quarterly Return submitted for the period ended 30.09.2018
2	Pursuant to Regulation 17(1A) of the SEBI(LODR), 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years unless a Special Resolution gets passed to that effect. Mr. A. K. Nair, Independent Director have already attained the age of 75 years on 27th August 2018, but no Special Resolution has been passed.	At the EGM of the Company dated 17.04.2015, Mr. A. K. Nair Director, among others, was appointed to hold office as Independent Director upto conclusion of the AGM in the year 2019 and hence his present holding of office (of Directorship) is within the provisions of Law.
3	On scrutiny of filing of Audited financial results for the quarter ended 31st March 2018 with BSE on 04.05.2018, it is found that only Auditors' Report for the Standalone Financial Statements was attached thereto with the results and Independent Auditors Report for the consolidated Financial Results had not been filed thereto on 04/05/2018. However, the same had been filed on 29/06/2018.	There was an inadvertent omission in filing the consolidated Financial Results alongside the standalone results. Immediately on being aware of the omission, we had filed the same with BSE and submitted an apology for the inadvertent omission.
4.	There was a delay of 3 days in intimating appointment of Mr. Raymond Merz, Alternate Director with BSE as per SEBI (LODR)'15, besides a delay of 10 days and 7 days in intimating the replacement of outgoing Independent Directors and the Chairman, respectively.	Extra care shall be taken in future to ensure timely intimation to BSE.

COLLABORATORS

The Collaborators of your Company continue to be the relentless source of support and guidance for the Company in each of its key initiatives. Their patronage in areas of financial support, product development, marketing, quality improvement and training of personnel has contributed significantly to the growth of the Company. NGI, Inc. Japan has provided guidance and considerable financial support for the scheme of revival of its Reva Division. Kerala State Industrial Development Corporation Ltd., the other promoter is equally supportive to each and every development concerning your Company.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

INTERNAL CONTROL SYSTEM

ADEQUACY OF INTERNAL CONTROL SYSTEMS

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

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

INTERNAL CONTROLS OF FINANCIAL REPORTING

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

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

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

RISK MANAGEMENT POLICY

The Board of Directors of the Company has entrusted the management of the Company to evaluate and manage various risks faced by the Company and appropriately apprise the Board periodically. Accordingly, the management has constituted a Risk Management Committee comprising of Senior

Management Personnel to develop and implement a Risk Management Policy including identification therein of elements of risks which in the opinion of the Board may impact the operations of the Company. The Board of Directors review the evaluation of risks and the mitigation measures taken by the Company in managing such risks to sustain the operations of the Company for the foreseeable future. Some of the key risk areas identified for mitigation and corrective action include crushed bone availability and pricing patterns, impact of the high cost of crushed bone on the cost of production, safety and security policies of the Company, succession planning for key executives, impact of the National Green Tribunal's Orders, significant litigation against the Company having material financial impacts, moves of competitors, water scarcity for operational requirements, emergence of alternate substitutes for the products of the Company, adverse forex rate fluctuations, risk of losing premium commanded by the Company due to emergence of alternate Halal certifications etc.

MATERIAL POST BALANCE SHEET EVENTS

The merger of Reva Proteins Ltd with the Company will have an impact on the turnover and operational results of the Company in the year to follow.

APPLICABILITY OF COST AUDIT REQUIREMENTS

As per the Company's (Cost Records and Audit) Rules 2014, the Company's products are not covered under Cost Audit and the Company maintains the relevant cost records for the products for which the maintenance of cost record is required as per the above Rules.

RESPONSIBILITY STATEMENT OF DIRECTORS

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

a) that in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b) that they had selected such accounting policies as mentioned in Note 1 of the notes to the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the loss of the Company for the year ended on that date;

c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that they had prepared the annual accounts on a going concern basis;

e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and

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

RELATED PARTY TRANSACTIONS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Indian Accounting Standards (IND AS) 110 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the SEBI (LODR) Regulations and form part of the Annual Report.

DIRECTORS

Mr. Raymond Merz was appointed as Alternate Director to Mr. Koichi Ogata on 04/05/2018 and ceased to be so, w.e.f 17/05/2018. Mr. K. L Kumar, ceased to hold office on 03/08/2018 on completion of his tenure as Independent Director. Dr. Naotoshi Umeno, Independent Director resigned from the directorship on 04/08/2018. Mr. Sanjay M Kaul, IAS who got appointed as Nominee Director in place of Dr. M. Beena, IAS on 29/10/2018, was replaced by Dr. Sharmila Mary Joseph, IAS, upon nomination by KSIDC, on 06/02/2019. Mr. E. Nandakumar and Mr. Yoichiro Sakuma were appointed as Additional Directors by the Board of Directors qualifying as Independent Directors, both on 29/10/2018. Mr. Hidenori Takemiya was appointed as Alternate Director to Mr. Koichi Ogata on 29/10/2018.

Your Directors extend a warm welcome to all incoming Directors during the year and place on record the appreciation for valuable guidance and support extended by the existing Directors on Board.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has constituted a Nomination and Remuneration Committee (NRC) consisting of the following person:-

1. Mr. A. K. Nair, Chairman
2. Dr. K. Cherian Varghese, Member
3. Mr. E. Nandakumar, Member

The terms of reference of the NRC are as follows:-

1. The NRC shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The NRC formulates the criteria for determining qualifications, positive attributes and independence of a Director recommending to the Board and also a policy relating to the remuneration for the Directors, Key Managerial Personnel and senior management personnel meaning thereby employees of the Company who are members of core management excluding Board of Directors. This would comprise all members of management one level below the Executive Directors, including all functional heads.
3. The NRC formulates the Remuneration policy to ensure that:—the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate personnel as are herein referred at (2) above of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Whole-time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

During the year, the NRC has met twice.

KEY MANAGERIAL PERSONNEL

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

BOARD EVALUATION

The Companies Amendment Act, 2015 prescribes that there shall be a meeting of Independent Directors during each of the financial years. Accordingly, the Independent Directors who met on 06.02.2019 evaluated the performance of the Directors other than themselves which are followed by an evaluation made by the Board in the presence of the Chairman at their Meeting held on that date. The evaluation found each of the Directors to have requisite qualification, expertise and track record for performance of their duties as envisaged by law.

MEETINGS

The Board of Directors met 4 (Four) times during the financial year 2018-19. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening time gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE

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

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

VIGIL MECHANISM

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

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

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

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

PREVENTION OF INSIDER TRADING

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

STATUTORY AUDITORS

M/s. Walker Chandiok & Co. LLP (WCL LLP) Chartered Accountants (Firm Registration No. 001076N / N500013) who were appointed as Statutory Auditors of the Company for a 5 year term at the Annual General Meeting in the year 2017 continues to hold office, while ratification of such appointment for the remaining period for the 5 year term, were ratified at the Annual General Meeting in the year 2018. Hence no specific item regarding the appointment is put up for transaction at the forthcoming Annual General Meeting and the Notice for the Meeting makes no such mention as part of Ordinary Business.

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Abhilash Nediyalil Abraham. (CP No. 14524, M. No. 22601), Company Secretary-in-practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure VI.**

ANNUAL RETURN

The Company has a website **https://www.gelatin.in** where the annual return of the Company will be published complying with the provisions of Section 134 (3) (a) of the Companies Act 2013.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Dr. K. Ellangovan, IAS
Chairman
DIN: 05272476

Kochi
09.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Gelatin is a commonly used excipient for manufacturing capsules for pharmaceuticals and Nutraceuticals. The market for gelatin is estimated to grow at a CAGR of 6.6% and expected reach $ 3.6 billion by 2023. The growing demand for functional and convenience food & beverage products, increasing application in the pharmaceutical industry, and the rising demand for clean label products drive the demand for gelatin. The increasing demand for gelatin from the Nutraceutical and sports nutrition industrial segment due to its high protein content and increasing applications in the medical and biomedical industries also drive the demand for gelatin.

Gelatin is a popular excipient in empty capsules and softgel capsules. The empty capsule market size is projected to grow at a CAGR of 7.4% and reach USD 2.79 billion by 2023. While, the global softgel capsules market is expected to reach $316.6 billion by 2025 at a CAGR of 5.4%. Softgels make up 25 percent of the total market for nutritional supplements and are the second most-prevalent dosage form behind tablets. They can be used to deliver oils and oil-soluble materials, such as omega-3s, vitamin E and carotenoids; and they may offer advantages in tolerability, ease of swallowing, assimilation and potency. Although animal gelatin-based shells are most common, vegetarian alternatives are on the rise great strides have been made with challenges such as oxidation, shelf stability and cost-effectiveness.

The major factors driving the growth of this market include the growing adoption of capsule formulations, growth of the pharmaceutical market along with the increasing R&D activities & clinical trials, and advancements in capsule delivery technologies. Gelatin capsules holds major market share in empty capsule markets. Gelatin provides rapid drug release, excellent oxygen barrier hence mostly preferred for manufacturing capsule shells. Based on release profile need for molecules, capsules are designed as immediate-release, sustained-release, and delayed-release capsules. Immediate-release capsules are the most commonly prescribed capsules to treat a wide range of diseases and disorders. Other than pharma industry, capsules are being used in Nutraceutical industry, Cosmetic industry, and research laboratories. The growth in pharmaceutical industry is driving the gelatin business.

Investments by manufacturers in research and development activities and advancements in technology have led to the development and usage of other sources for producing capsules which are vegetarian in nature, and also provide seamless manufacturing procedures for softgel capsules. The market of health-conscious consumers seeking natural, 'green' products is booming, which is expected to drive the growth of the vegetarian softgel capsules segment. Europe and North America are expected to gain significant market share in revenue terms for softgel capsules market by 2026 end. Moreover, the softgel capsules market in Asian countries is projected to exhibit lucrative growth during the forecast period. Manufacturers are concentrating on manufacturing capsules using non-gelatin ingredients to cater to the increasing demand from the vegetarian consumer base across the globe.

The global collagen peptides market was valued at USD 716.5 million in 2017; this is projected to grow at a CAGR of 11.6% from 2018, to reach USD 1,337.0 million by 2023.

Collagen peptide being used nutritional supplement as functional food ingredient for promoting bone and joint health, beauty from within, sports performance and healthy aging. Over the last few years, consumer awareness about healthy food products has been fueling the collagen peptides market for nutritive food products. Consumers are increasingly focusing on healthy aging, not only to increase their life expectancy but also to prevent and postpone the onset of diet- and bone-related diseases.

Collagen hydrolysate or Collagen Peptide has wide usage in the areas of culinary and food processing sectors. It is mixed in various drinks, shakes, smoothies, and ice creams to give an anti-inflammatory protein boost, as the ingredient has the tendency to dissolve in the cold liquid easily. Hydrolyzed Collagen has good organoleptic properties, taste, and is odor-free, while at the same time enabling the food product to maintain its quality. It is used in various formulations due to its property to mix and blend with other forms.

SEGMENT-WISE PERFORMANCE

The demand supply balance was affected globally due to capacity reduction of major manufacturers. The imbalance helped manufacturers to put break on falling gelatin prices. Gelatin demand in India shown growth for pharmaceutical applications. During 2018-19, Kerala witnessed one of the worst natural calamity of state's history. State was affected with the flood after 100 years. It affected Company's operations including both domestic and overseas business.

EXPORTS

Export of Ossein to Japan during the year 2018-19 was 81% lower as compared to previous year mainly due to change in business model of Bamni Proteins Ltd., subsidiary Company. In the case of Gelatin, exports for the year stood 4% higher than the previous fiscal. Although production was affected due to flood, the favorable exchange rate to achieve revenue. The demand was stable. Collagen peptide export revenue was 44% higher than the previous year due to demand from US, higher price realization and favorable exchange rate. Export of Bovine Collagen Peptide during the year was higher than previous year due to demand from US market. The raw material scarcity continued for Fish Collagen Peptide and however situation eased but Raw material price is still at peak and it affected the margin. Raw material shortage is caused by increase in demand for fish collagen in South East Asian countries. The major markets are US and Korea. The average USD/INR exchange rate for the year 2018-19 was 69.45 as against 64.05 for the previous financial year.

DOMESTIC MARKET

The domestic demand for Gelatin is showing steady growth trend as India is strengthening its identity as a pharma manufacturing hub. There was also shortage in supply of Gelatin in India. Inspite of favorable market situation, domestic sale of Gelatin was 9% lower than in the previous period due to inconsistent operations due to various internal and external interruptions. Domestic sale of Collagen Peptide was 9% lower than during the previous financial year. The non-availability raw material for fish collagen peptide affected the domestic revenue. To ensure quality product, the Company still depends on imported raw materials for manufacturing fish collagen peptide. The demand for Di Calcium Phosphate from poultry industry was stable however company's sales was 41% lower than the previous financial year owing to interrupted operations and change in business model of Bamni Proteins Ltd., subsidiary Company.

OPPORTUNITIES AND CHALLENGES

The global demand for gelatin for food and pharma is continuing in its growth phase. The capsule and confectionery market is growing worldwide and gelatin is an inevitable ingredient in pharma and food. The market for Gelatin is projected to exceed 480,000 metric tons by 2022, driven by widening applications in food, pharma and nutritional products.

The demand for empty capsules is expected to rise substantially in the years ahead thanks largely to the overall growth and expansion of the global pharmaceuticals industry. Moreover, the greater demand for nutraceuticals will also provide the global capsules market an opportunity to expand as several food supplements and functional foods are encapsulated to make them convenient for consumption. The global soft gel capsule market is expected to register a significant growth. The position of Gelatin as a raw material for capsule manufacturing continues to be predominant as compared to other alternatives. Gelatin capsule industry consumes roughly 90-95% of all bovine bone gelatin production in India and in 2015 about 628 billion gelatin capsules, both soft and hard, were produced.

Indian pharma companies are focusing on regulated markets and such market demands capsules with excellent quality and dissolution properties. Hence gelatin manufacturers are focusing on adding value to gelatin by providing superior quality gelatin. The endeavor to make special grade of gelatin has given birth to special grade gelatin like gelatin with reduced cross linking for long shelf life capsules, gelatin for capsules with faster and delayed disintegration properties, Gelatin for enteric capsules. Gelatin manufacturers are continuing their efforts to add value to Gelatin and be relevant with changing industry norms.

The advancement in healthcare and medical field and change in lifestyle opened huge opportunity for naturally derived ingredients and gelatin. The tissue engineering and regenerative medicine demands highly purified and biocompatible gelatins, which may be potential premium segment for gelatin in the future.

Increase in the population of working women and dominance of nuclear double-income families, especially in urban areas, are trends that shape the changing lifestyles of a majority of consumers and their approach toward healthy lifestyles in emerging economies. Rise in living standards and changes in lifestyles in developing countries contribute to the development of the convenience food market. The collagen peptides market, therefore, is estimated to possess greater potential in newer and untapped markets of China, India, Japan, Brazil, and the Middle East.

Collagen protein is another blockbuster ingredient in the Nutraceutical industry. Once considered as cheapest protein is now gaining popularity due to its functional benefits in skincare, bone and joint health and sport nutrition. Collagen derived peptides are one of the key ingredient in the Nutraceutical formulations for above mentioned segments. Several studies are going on to explore other potential benefits of Collagen derived bioactive peptides. Considering the immense potential collagen peptide several manufacturers have already scaled up their manufacturing facilities.

Major challenges of the Company are the cost of operation and limited capacity. The comparatively higher cost of Indian bones and its lower quality makes the Company's product costly for global market. Interruption in operations due to various reasons is also affecting the performance of the organization. Due to low margin, company has not entered into food applications of Gelatin which is the largest segment of gelatin.

OUTLOOK

The demand for Gelatin, Collagen Peptide and Di Calcium Phosphate is likely to grow at attractive rate. Company's focus is to ensure continuity in operation in the new financial year to meet growing demand. Company is acting on sustainability of operations through various operational excellence initiatives. The Company is striving towards realizing its vision of emerging as the world's best gelatin manufacturing facility through the implementation of a systematic operational excellence initiative. Cost reduction activities are being strengthened to become cost competitive in the near future.

The Company is in the efforts to commercialize couple of value added and new products. The new products are expecting to pave path for faster growth. Considering the demand for Gelatin & Collagen Peptide, NGIL is also evaluating the scope of expanding its production capacities for Gelatin and Collagen Peptide.

FINANCIAL PERFORMANCE

The financial results of operations of your Company for the year under review are detailed under the caption performance forming part of the Directors' Report. As per the same, the Company's operations have resulted in a pre-tax loss of Rs. 3.67 Crores for the current year as against Rs. 10.74 Crores for the previous financial year. The post-tax loss for the current year is Rs. 2.64 crores whereas it stood at Rs. 3.77 Crores for 2017-18. The reason for the loss in the current year is due to the merger of Reva Proteins Ltd. with the Company as per the orders of National Company Law Tribunal. The accounts of the Company have been restated w.e.f. 01.04.2017 as per the NCLT orders. Other comprehensive profit (net of tax) for the current year is Rs. 1.12 crores as against other comprehensive loss of Rs. 0.72 crores for the previous year.

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

The basic and diluted earnings per share during the year was loss of Rs. 2.90 as against Rs. 4.16 per share during the previous fiscal.

HUMAN RESOURCES DEVELOPMENT

The following HR initiatives were undertaken by the Company during the financial year:-

1. Employment Engagement Study: An engaged workforce identifies with the mission of the company and is committed to the long-term goals and success of the company. The engagement study was part of an attempt to understand the engagement levels of the employees of the Company and take steps to improve them over a period of time. This would be one by designing new policies or redeploying established ones to increase the effectiveness and involvement of the employees.
2. Job Description: A detailed job and role description gives clarity to the employees regarding expectations of the company and their responsibilities. The company initiated a detailed Job Description Exercise for all executives of the company that clearly defines their roles, responsibilities, scope and expectations from the Company.
3. Organisational Restructuring: In the current turbulent times of the industry, it is imperative that the Company adapts to the new environment to survive. The restructuring of the organisation is a step towards making the Company vibrant with the set vision for itself

as well as to realign its internal structure to better cater to the stakeholders' interests.

4. Competency Mapping: Competencies refer to the inherent traits and behaviours that separate the good employees from the exceptional ones. Competency Mapping is an exercise wherein the Company establishes the competencies of each employee and the competency required for their existing roles and to bridge gap existing, if any. The results of the exercise will be used to tailor the Learning and Development programme to cater to the needs of the organisation.

5. Succession Plan: A succession plan is a framework put in place to ensure that critical roles in the company would not suddenly become vacant and that there are contingency plans for dealing with emergency situations. This involves systematically identifying and developing employees in the lower levels to fill the shoes of the critical roles of the organisation over a period of time.

6. Reward & Recognition Schemes: Recognising and rewarding the right behaviour pushes employees to perform better as well as clarify what the company expects from each of them. This year, the Company redesigned and revised many of their Reward & Recognition schemes including schemes like "Best Employee Award, "Kaizen Scheme, and the "5S scheme to capture the exceptional performance of employees of the Company.

7. Fun@NGIL – It is important for employees at NGIL to have fun! This initiative by the Company is intended to have enjoyable experiences while also ensuring that they approach work with a positive and relaxed attitude. This included practices like morning yoga and exercise sessions, playing sports as a team, playing music during office hours, etc.

   As on 31st March, 2019 the total permanent employee strength of the Company was 419.

CAUTIONARY STATEMENT

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

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

For and on behalf of the Board of Directors

Dr. K. Ellangovan, IAS

Chairman

DIN: 05272476

Kochi

09.05.2019

ANNEXURE I

Annual Report on Corporate Social Responsibility

CSR Activities

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

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

The CSR activity to lay thrust to local areas around the Divisions /Corporate Office of the Company for spending the amount earmarked.

To pursue these objectives, the Company shall:

1) Ensure environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources.

2) Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, and provide medical aid to the needy and down trodden, promoting health care, sanitation and making available safe drinking water.

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

WebLink: www. gelatin.in

Composition of CSR committee

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

1. Average net profit : Rs.25,50,89,950/-

2. Prescribed CSR Expenditure (Two percent of the amount as in item 1 above)

   The Company was required to spend Rs. 51,01,799/- as originally budgeted and approved by the Board.

3. Details of CSR spend for the financial year:

a) Total amount spent during the financial year Rs.53,04,618/-

b) Amount spent in excess of the statutory minimum Rs. 2,02,819/-

c) Manner in which the amount was spent during the financial year 2018-19 is detailed below:

Sl. No.	Projects / Activities	Sector	Locations	Amount outlay (Budget) project or programme wise	Amount spent on the programme	Cumulative expenditure upto reporting period	Amount spent : Direct or through implementing agency
1.	Education	Children Education- study materials & note book distribution, smart class, career awareness, education development projects/ infrastructureSports coachingetc.	Koratty/ Kakkanad	2,98,000	8,20,000	8,20,000	Public Trust
2.	Community Development	Onam fair, Onam kit distribution, public well cleaning and maintenance, renovation of pond,	Koratty/ Kakkanad	74,418	28,50,000	28,50,000	Public Trust
3.	Medical Camp	At various panchayat areas	Koratty/ Kakkanad	-	1,75,000	1,75,000	Public Trust
4.	Healthcare initiatives	Medi support scheme	Koratty/ Kakkanad	2,94,000	2,00,000	2,00,000	Public Trust
5.	Renovation at schools	Bus shelter	Koratty / Kakkanad	-	2,00,000	2,00,000	Public Trust
6.	K. T. Chandy Trust	Tree planting, Social Forestry	Koratty / Kakkanad	6,26,600	-	-	Public Trust
7.	Sports	Sports coaching, competition, tournament		-	1,05,000	1,05,000	Public Trust
8	Others	Social welfare expenses		31,94,269	9,42,209	9,42,209	Public Trust
9	Green Initiatives			8,17,331	-	-	Public Trust
			TOTAL	**53,04,618**	**52,92,209**	**52,92,209**	

RESPONSIBILITY STATEMENT OF CSR COMMITTEE

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

A. K. NAIR	DR.SHINYA TAKAHASHI	SAJIV K. MENON
CHAIRMAN	MEMBER	MEMBER

Dr. K. Ellangovan, IAS

KOCHI CHAIRMAN

09.05.2019 (DIN: 05272476)

ANNEXURE - II

Form AOC-1

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

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.		
1	Name of the Subsidiary	BAMNI PROTEINS LIMITED
2	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period	Reporting period same as Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A (Amount in Rupees)
4	Share capital	4,25,00,000
5	Reserves & Surplus	10,54,42,641
6	Total Assets	25,37,93,546
7	Total Liabilities	25,37,93,546
8	Investments	-
9	Turnover	57,20,15,738
10	Profit /(loss) before taxation	11,65,77,745
11	Provision for taxation	3,43,60,820
12	Profit after taxation from continuing operations	8,22,16,925
13	Other comprehensive income / (loss)	18,50,969
14	Total comprehensive income / (loss)	8,40,67,893
15	Proposed Dividend	60%
16	% of shareholding	82.35

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year.- NIL

Part "B": Associates and Joint Ventures

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

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

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - M/s. Reva Proteins Ltd. (Amalgamated).

Dr. K. Ellangovan, IAS

KOCHI CHAIRMAN

09.05.2019 (DIN: 05272476)

ANNEXURE III

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

(A) CONSERVATION OF ENERGY

(a) During the year various energy conservation measures were initiated.

(b) Additional investments are being proposed for further optimization of utilities.

(a) Energy conservation activities carried out during the year: 2018-19

i) Energy efficient sludge dewatering system with volute installed.

ii) Reduction in water intake pumping through efficient water conservation methods.

iii) Installation of transparent roofing sheets in plant for day light utilization.

iv) Energy efficient planetary gear boxes installed to save energy.

v) Installation of LED streetlights and flood lights inside plant.

vi) Addition of extra capacitors to improve power factor from 0.96 to 0.98

vii) ISO 50001 (Energy Management System) certification for ensuring better Energy Management and efficient Energy utilization. Also create awareness among employees and stake holders for Energy conservation.

viii) Facility implementation for Power trading completed.

Activities at Gelatin Division

i) Intermediate controller installed for Compressor.

ii) Conventional lamps were replaced by more efficient LED lamps in the plant.

iii) Power efficient Floating Aerator introduced to improve the aeration efficiency.

iv) Energy efficient pump installed for Water feed application.

Activities at Reva Division

Installed 2 no.s of energy efficient aerators for better aeration

Capital investments on energy conservation equipment

The Company has spent an amount of Rs. 126.31 lakhs as capital expenditure on energy saving equipment during the year 2018-19.

Energy conservation activities proposed for 2019-20

a. Replacement of inefficient worm wheel gear box with spur and planetary gear boxes.

b. Replacement of old lights inside plant and street lights with low power LED lights.

c. Replacement of Inefficient IE1 motors with Energy efficient Motor IE3 Motors.

d. Power Trading to reduce power cost.

e. Installation of VFD for variable load motors.

f. Replacement of old reciprocation compressor with Energy efficient Screw compressor with variable speed control.

g. Replacement of old inefficient chiller with premium efficient chiller.

h. Better Power factor controller to Increase Power Factor from 0.98 to 0.99 during Full Plant Operation

i. Further addition of energy efficient jet aerators

j. Replacement of Steam radiator with finned type for reducing steam consumption.

(B) TECHNOLOGY ABSORPTION AND DEVELOPMENT

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

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

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

RESEARCH & DEVELOPMENT

The Company has three exclusive Research & Development Centres attached to each of its major production centres. All these Centres are approved by the Department of Scientific and Industrial Research, Government of India and they carry out development of new products besides improvement of existing products and production processes. R&D Division is playing a pivotal role not only in the case of new products already launched but also those on the anvil. In view of the criticality of Crushed Bone quality in the overall cost of production, R&D wing has been entrusted with the responsibility to develop ways and means to minimize the adverse effect of quality deterioration of crushed bone.

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

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

- Development of production processes to meet specific customer requirements.
- Development of new products, especially line extension of existing products and new applications for the same.
- Evaluation and development of new sources for various raw materials.

- Development of new process techniques for cost optimization as well as fuel and energy conservation.
- Reduction in water consumption

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

The major R&D projects carried out by the Company during the year is as follows:-

No.	Project Title	Status
1	Dosage reduction of collagen peptide for the treatment of osteoarthritis	Process is being optimized for high content of dipeptides in the product which is beneficial for the treatment of osteoarthritis.
2	Bioactive collagen peptide for the treatment of Type 2 diabetes	Clinical and pharmaco-kinetic studies completed. Pilot production studies are completed, scale up studies are planned.
3	Development of Wound care products	Chitosan-collagen sponge for wound healing applications: Quality standardized. Stability study under progress.
		Chitosan-FCP (fish collagen peptide) product for Diabetes Foot ulcer: Product is developed. Fibroblast proliferation study and Angiogenesis study completed.
4	Development of DCP for ceramic application in collaboration with Central Glass and Ceramic Research Institute.	Technology developed

Expenditure on R&D

Particulars	Rs. in lakhs	
	Current year	Previous year
a. Capital – R&D Centre Ossein Dvn. & Gelatin Dvn	32.99	29.12
Total Capital expenditure	32.99	29.12
b. Recurring expenses - Ossein Division R&D Centre, Gelatin Division R&D Centre &Bamni Division	145.15	119.34
Percentage to turnover	.68	.43

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

Particulars	Current year	Previous year
a. Earnings	11614.68	16402.78
b. Outgo	1031.41	1242.65

FORM-A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current year 2018-19	Previous year 2017-18
A. **POWER AND FUEL CONSUMPTION**		
1. Electricity		
(a) Purchased		
Units (KWH in lacs)	268.04	280.53
Total Amount (Rs. In las)	1697.28	1749.87
Rate/Unit (Rs.)	6.33	6.24
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH in lakhs)	2.14	0.85
Unit per litre of Diesel Oil	2.5	2.5
Cost / Unit (Rs.)	28.35	24.58
2. Furnace Oil		
Quantity (in KL)	540	962
Total Amount (Rs. in lakhs)	186.4	276.17
Average rate (Rs. per KL)	34532.5	28696.91
3. Firewood		
Quantity (in MT)	33084	34802
Total Amount (Rs. in lakhs)	994.45	1035
Average rate (Rs. per MT)	3005.8	2975
4. LNG		
Quantity (in MMBTU)	26099.09	41287
Total Amount (Rs. in lakhs)	265.69	292
Average rate (Rs. per MMBTU)	1017.99	706
5. COAL		
Qty (MT)	3541	2226
Total Amount (Rs)	200.44	114
Average Rate/ MT	5660.98	5101
Product - Ossein		
1. Electricity (KWH) per MT	2543	2108
2) Furnace Oil (Kl) / MT	0	0
3) Firewood (MT) / MT	0.99	0.94
4) Coal (MT) / MT	0.54	1.05
Product- DCP		
1) Furnace Oil (Kl) / MT	0.028	0.054
2) Coal (MT) / MT	0.54	0.61
Product – Gelatin		
1. Electricity (KWH) per MT	3524	3405
2. Furnace Oil (KL) per MT	0.09	0.09
3. Firewood (MT) per MT	7.98	7.40
4. LNG (MMBTU) / MT	8.74	9.08
Product – Collagen Peptide		
1. Electricity (KWH) per MT	5619.85	5853.41
2. Firewood (MT) per MT	6.03	5.92

For and on behalf of the Board of Directors,

Dr. K. Ellangovan, IAS
CHAIRMAN
(DIN: 05272476)

KOCHI
09.05.2019

Annexure IV

Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Requirements under Rule 5(1)

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Sajiv K. Menon, Managing Director - 30.77 (30.41) Shiniya Takahashi, Director (Technical) - 4.85 (4.74)
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Sajiv K. Menon, Managing Director-3.32% (13.82%) Key Managerial Persons : Mr. P. Sahasranaman, CFO - 14.01% (-0.93%) Mr. G.Rajesh Kurup, CS - 8.83% (9.90%)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	2.12% (17.77%)
(iv)	The number of permanent employees on the rolls of the company;	418 permanent employees as on 31.03.2019
(v)	Average percentile increase already made in the salaries of employees other than the mangerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of managerial personnel is 7.84% and that of non-managerial 1.20%.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid by the company during the financial year 2018-19 is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors,

Dr. K. Ellangovan, IAS
CHAIRMAN
(DIN: 05272476)

KOCHI
09.05.2019

ANNEXURE - V

Form AOC-2

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

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

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

   NIL

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

a) Name(s) of the related party and nature of relationship

i) Nitta Gelatin Inc.	- Enterprise having substantial interest in the Company
ii) Nitta Gelatin NA Inc	- Subsidiary of Nitta Gelatin Inc.
iii) Nitta Gelatin Canada Inc	- Subsidiary of Nitta Gelatin Inc.
iv) Bamni Proteins Ltd.	- Subsidiary Company

b) Nature of contracts / arrangements / transactions

   Sales / purchase of materials
   Availing or rendering of services

c) Duration of contracts / arrangements / transactions : 1st April 2018 to 31st March 2019

d) Salient terms of the contracts or arrangements or transactions including the value, if any.

   Refer Note No. 3.29 on accounts

e) Date(s) of approval by the Board, if any: 04/05/2018, 02/08/18, 29/10/2018 and 06/02/2019.

f) Transaction by the Company with Reva Proteins Ltd. has not been disclosed as part of this annexure since that Company merged with Nitta Gelatin India Ltd. with Appointed date as 01.04.2017.

For and on behalf of the Board of Directors,

Dr. K. Ellangovan, IAS
CHAIRMAN
(DIN: 05272476)

KOCHI
09.05.2019

ANNEXURE VI

Secretarial Audit Report

FORM NO.MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH,2019.

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

To

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March,2019 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March,2019 according to the provisions of:

(i) The Companies Act,2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act,1956 (SCRA) and the Rules made thereunder;

(iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act) :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations,2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 (upto 08.11.2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f 09.11.2018);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999. (Not applicable to the Company during audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008 (Not applicable to the Company during audit period);

(f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations ,1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange board of India (Delisting of Equity shares) Regulations,2009 (Not applicable to the Company during audit period);and

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations,1998 (upto 10.09.2018) and the Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (w.e.f. 11.09.2018) (Not applicable to the Company during audit period);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;

(vi). The following other laws as may be applicable specifically to the Company;

(a) The Food Safety Standard Act,2006 and the Rules and Regulations issued thereunder.

(b) The Petroleum Act, 1934 and Rules and Regulations issued thereunder.

(c) The Hazardous Waste (Management, Handling and Trans boundary Movement) Rules,2008

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

(j) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) and Secretarial Standard on Dividend (SS-3) issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into with BSE Ltd.

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

1. *On analysis of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regultions,2015 (LODR), it is found that there was shortfall of Independent Directors in the Board for the shorter period between 03.08.2018 and*

   28.10.2018 consequent to the retirement of Mr. K. L Kumar as well as resignation of Mr. Naotoshi Umeno on 03.08.18 and 04.08.2018 respectively. Consequent to which the number of Independent Directors on the Board got reduced to three which was one short of the statutory requirement for the shorter period. Resultantly, the number of members of the Nomination and Remuneration committee and Stakeholders Relationship Committee also fell below the minimum level. However, sufficient number of independent directors was appointed onto the Board and its committee on 29.10.2018 to meet the statutory requirement.

   Company is advised to maintain sufficient number of independent directors onto the board as well as committees at all time.

2. *Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attain the age of 75 years unless a special resolution passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.*

   On analysis we found that Mr. A.K. Nair, Independent Director have already attained 75 years as on 27th August 2018 but no special resolution has been passed even though his term will expire on the date of ensuing AGM.

   Company is advised to pass special resolution for continuing the directorship of Mr. A. K. Nair.

3. *On scrutiny of the filing of Audited financial results for the quarter ended 31 st March 2018 with BSE on 04/05/2018, it is found that only Auditors Report for the Standalone Financial Statements was attached thereto with the results and Independent Auditors Report for the Consolidated Financial Results had not been filed thereto on 04/05/2018. However, the same had been filed on 29/06/2018.*

4. *There was a delay of 3 days in intimating appointment of Mr. Raymond Merz, Alternate Director with BSE Limited under Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regultions,2015 (LODR). Further, the intimation with respect to appointment of Directors Mr. Hidenori Takemia, Mr. Yoichiro Sakuma and Mr. E. Nandakumar, was made with delay of 10 days under*

Regulation 30. Besides, intimation with respect to cessation of Mr. Sanjay M Kaul, Director and Appointment of Dr. Sharmila Mary Joseph, Director was made with BSE Ltd with a delay of 7 days.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors except for the short period between 03.08.2018 and 28.10.2018. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the financial year under report, upon issue of Observation Letter by BSE Ltd on 28/09/2018 and subsequent filing of Company Petition No. C.P/252/2019 in CA/192&193/CAA/2018, the National Company Law Tribunal (NCLT) Chennai vide its order dated 27/03/2019 approved merger of its subsidiary, Reva Proteins Ltd with the Company and sanctioned the Scheme without any modification. Legally, the following emerges;

1) The appointed date for the merger is 01.04.2017 and the effective date is 03.04.2019 when certified copy of the NCLT order had been filed with Registrar of Companies, Kerala.

2) Upon merger, the Authorised capital of the Company has been increased to Rs 80,24,44,480 from the existing Authorised Capital Rs 35,80,00,040 and Memorandum of Association of the Company has been altered to that extent.

3) The Company had issued 44,44,444 Redeemable Preference Shares of Rs 10 each to Nitta Gelatin Inc., Japan as consideration of the merger, pending allotment.

Other than these, Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Date: 26.04.2019

Place: Kochi

Abhilash Nediyalil Abraham
Practising Company Secretary
M. No. 22601; C.P.No.14524

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

Annexure A

To

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 26.04.2019
Place: Kochi

Abhilash Nediyalil Abraham
Practising Company Secretary
M. No. 22601; C.P.No.14524

ANNEXURE VII

ANNUAL SECRETARIAL COMPLIANCE REPORT (ASC) OF NITTA GELATIN INDIA LIMITED

FOR THE FINANCIAL YEAR ENDED 31/03/2019

(Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019)

To

The Members,

Nitta Gelatin India Limited

CIN: L24299KL1975PLC002691

50/1002, Panampilly Nagar,

Ernakulam, Kochi- 682 036.

I, Shri Abhilash Nediyalil Abraham, Practising Company Secretary (M No.A22601; C.P No.14524),32/1721A,Pallisseri Kavala, N.H Byepass, Puthiya Road, Kochi-25 have examined:

(a) all the documents and records made available to us and explanation provided by Nitta Gelatin India Limited("the listed entity"),

(b) the filings/ submissions made by the listed entity to BSE Limited,

(c) website of the listed entity,

(d) Regulation 37 Application submitted to BSE Ltd for getting the observation letter for the merger of Reva Proteins Ltd with the listed entity as well as connected filings with BSE Ltd,

for the financial year ended 31/03/2019 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009 (upto 08.11.2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. 09.11.2018);

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buy back of Securities) Regulations,1998 (upto 10.09.2018) and the Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (w.e.f. 11.09.2018) **(Not applicable during the review period);**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable during the review period);**

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable during the review period);**

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013 **(Not applicable during the review period);**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder specifically including SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10,2017 as further clarified by the Circular No.CFD/DIL3/CIR/2017/26 dated 23rd March,2017, Circular No.CFD/DIL3/CIR/2017/105 dated 21st September,2017 and Circular No.CFD/DIL3/CIR/2018/2 dated 3rd January,2018;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 17(1)(b), 19(1) and 20	On analysis of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regultions,2015 (LODR), it is found that there was shortfall of Independent Directors in the Board for the shorter period between 03.08.2018 and 28.10.2018 consequent to the retirement of Mr. K. L Kumar as well as resignation of Mr. Naotoshi Umeno on 03.08.18 and 04.08.2018 respectively. Consequent to which the number of Independent Directors on the Board got reduced to three which was one short of the statutory requirement for the shorter period. Resultantly, the number of members of the Nomination and Remuneration committee and Stakeholders Relationship Committee also fell below the minimum level.	Sufficient number of independent directors was appointed onto the Board and its committee on 29.10.2018 Company is advised to maintain composition of Board and its Committees at all time.
2	Regulation 17 (1A)	Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attain the age of 75 years unless a special resolution passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. On analysis we found that Mr. A.K. Nair, Independent Director have already attained 75 years as on 27th August 2018 but no special resolution has been passed even though his term will expire on the date of ensuing AGM.	Company is advised to pass special resolution for continuing the directorship of Mr. A. K. Nair.
3	Regulation 33	On scrutiny of the filing of Audited financial results for the quarter ended 31st March 2018 with BSE on 04/05/2018, it is found that only Auditors Report for the Standalone Financial Statements was attached thereto with the results and Independent Auditors Report for the Consolidated Financial Results had not been filed thereto on 04-05-2018.	The same had been filed on 29/06/2018.
4	Regulation 30	There was delay of 3 days in intimating appointment of Mr. Raymond Merz, Alternate Director with BSE Limited under Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regultions,2015 (LODR). Further, the intimation with respect to appointment of Directors, Mr. Hidenori Takemia, Mr. Yoichiro Sakuma and Mr. E. Nandakumar was made with delay of 10 days under Regulation 30. Besides, intimation with respect to cessation of Director, Mr. Sanjay M Kaul and Appointment of Dr. Sharmila Mary Joseph, Director was made with delay of 7 days.	The Company is advised to intimate the changes of directors as per Regulation 30.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL			

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NOT Applicable			

‘

Place: Kochi

Date: 26.04.2019

Abhilash Nediyalil Abraham
Practising Company Secretary
M. No. 22601; C.P.No.14524

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

Composition

The present strength of the Board is ten. The Board has a combination of Executive and Non-Executive Directors who are eminent professionals in their respective fields with wide range of skills and experience. They are drawn from amongst persons with proven track record in business/finance/public enterprises.

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

Four (4) Board meetings were held during the financial year 2018-19 on 04/05/2018, 02/08/18, 29/10/2018 and 06/02/2019.

The composition and attendance at the Board Meetings and Annual General Meeting (AGM) during the financial year and the other Directorships/Committee Memberships in other Indian Companies as on 31.03.2019 were as follows:

Sl. No.	Name of the Director	Category	Share-holding in the Company	No. of Board meetings attended/ Held	Attendance in last AGM , Yes or No	Business relationship with NGIL (Nitta Gelatin India Limited)	Other Directorships	Committee Membership (See Note 2.01)	
								Member	Chairman
1	Dr. K Ellangovan, IAS Nominee of KSIDC and Principal Secretary, Dept. of Industries and Commerce, Department of Ports and Dept. of NORKA	Nominee Director representing KSIDC, TVM	Nil	2/4	No	-	7	-	-
2	Sanjay M Kaul, IAS, Nominee of KSIDC, Secretary, Dept.of Industries & Commerce (Nominated on 29.10.2018 and ceased to be director on 06/02/2019)	Nominee Director representing KSIDC TVM	Nil	1/1	No	-	7	-	-
3.	Dr.Sharmila Mary Joseph,IAS,Nominee and Director of KSIDC, Secretary, Finance (Nominated On 06/02/2019)	Nominee Director representing KSIDC TVM	Nil	0/1	No	-	11	-	-
4.	Dr. M.Beena, IAS, Nominee of KSIDC (ceased to be director w.e.f 29/10/2018)	Nominee Director representing KSIDC TVM	Nil	2/2	No	-	9	-	
5.	K.L Kumar (Ceased to be Non-Executive Independent Director w.e.f 03/08/2018)	Non Executive Independent Director	Nil	2/2	Yes	-	1	1	-
6.	Koichi Ogata	Promoter Director	Nil	2/4	No	-	-	-	-

7	RadhaUnni	Non Executive Inde-pendent Director	Nil	3/4	Yes	-	6	2	-
8	Dr.K.Cherian Varghese	Non Executive Inde-pendent Director	Nil	4/4	Yes	-	1	1	-
9	A.K Nair	Non -Ex-ecutive Inde-pendent Director	66 Nos Equity Shares	4/4	Yes		6	3	1
10	Dr. NaotoshiUmeno (Ceased to be Independent Director on 04/08/2018	Non -Ex-ecutive Indepen-dent	Nil	0/2	Yes	-	-	-	-
11.	E.Nandakumar (Appointed as Non-Execu-tive Independent Director w.e.f 29/10/2018	Non -Ex-ecutive inde-pendent Director	Nil	2/2	No	-	-	1	-
12.	Yoichiro Sakuma (Ap-pointed as Non-Executive Independent Director w.e.f 29/10/2018)	Non -Ex-ecutive inde-pendent Director	Nil	1/2	No	-	-	-	-
13.	Sajiv K Menon	Executive Managing Director	Nil	4/4	Yes	Chairman, Bamni Proteins Ltd,ChairmanReva Proteins Ltd (Amal-gamated)	3	1	-
14.	Dr. Shinya Takahashi	Whole time Director	Nil	4/4	Yes	Director – Bamni Proteins Limited and Reva Proteins Limited (Amalgamated)	2	-	-
15.	Raymond Merz (Appointed as Alternate Director on 04/05/2018 and ceased to be Director on 17/05/2018)	Non -Ex-ecutive Director	Nil	1/1	No	-	-	-	-
16.	HidenoriTakemiya (Appointed as Alternate Director on 29/10/2018	Alternate Director	Nil	-	No	-	-	-	-

2.01 The number of Board committees in which the director is a member or chairperson includes only Audit Committee and Stakeholders Relationship Committee.

2.02 The Board of Directors has an optimum combination of executive and non-executive directors with more than 50% of the Directors being non-executive Directors and one woman Director in conformity with Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

2.03 As per proviso to Regulation17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, since the company has a Non-Executive Chairman who is the nominee of a promoter, at least one half of the Board of Directors of the company shall consist of Independent Directors. Accordingly, the requisite number of Independent Directors during the year –save the interim period between 03/08/2018 and 28/10/2018 following the vacancy created by vacation of office of two Independent Directors - was five. While, the Directors, Dr. K Cherian Varghese, Mr.A.K.Nair, Mr. K.L.Kumar, Mrs.Radha Unni and Mr.NaotoshiUmeno were holding office during the period inbetween 01/04/2018 to 02/08/2018, those holding such office for the period 29/10/2018 to 31/03/2019 were Dr. K Cherian Varghese, Mr.A.K.Nair, Mr. E.Nandakumar, Mrs. RadhaUnni and Mr.Yoichiro Sakuma, who all meet the prescribed criteria of Independence during the financial year.

2.04 The category of Directorships held by the individual Directors in other Listed Companies where each of them hold Directorships as mandated under the newly introduced Regulation 34 (3) and 53 (f) read with Schedule V of SEBI LODR Regulations are as herein below:

Sl No	Name of the Director	Name of the Listed Company	Category
1	Dr. K Ellangovan IAS	1.Bharath Petroleum Corporation Limited	Nominee Director
		2. Nitta Gelatin India Limited	Nominee Director
2	Sanjay M Kaul, IAS	1. PTL Enterprises Limited	Nominee Director
		2. Nitta Gelatin India Limited ceased to be director on 06/02/2019	Nominee Director
3	Dr. Sharmila Mary Joseph, IAS	1. Geojit Financial Services Limited	Nominee Director
		2. Nitta Gelatin India Limited	Nominee Director
4	Dr. M. Beena, IAS	1. Apollo Tyres Limited	Nominee Director
		2. Nitta Gelatin India Limited ceased to be director w.e.f 29/10/2018	Nominee Director
5	K.L Kumar	1. Nitta Gelatin India Limited ceased to Director w.e.f 03/08/2018	Independent Director
6	Radha Unni	1. Muthoot Capital Services Limited	Independent Director
		2. V Guard Industries Limited	Independent Director
		3. Nitta Gelatin India Limited	

7	Dr.K.Cherian Varghese	1. Nitta Gelatin India Limited	Independent Director
8	A.K Nair	1. V Guard Industries Limited	Independent Director
		2. Nitta Gelatin India Limited	
9	Dr. Naotoshi Umeno	1. Nitta Gelatin India Limited ceased to be Independent Director on 04/08/2018	Independent Director
10	E. Nandakumar	1. Nitta Gelatin India Limited	Independent Director
11	Yoichiro Sakuma	1. Nitta Gelatin India Limited	Independent Director
12	Sajiv K Menon	1. Nitta Gelatin India Limited	Managing Director
13	Koichi Ogata	1. Nitta Gelatin India Limited	Casual Vacancy Director
14	Dr. Shinya Takahashi	1. Nitta Gelatin India Limited	Wholetime Director
15	Raymond Merz	1. Nitta Gelatin India Limited ceased to be Director on 17/05/2018	Alternate Director
16	Hidenori Takemiya	1. Nitta Gelatin India Limited	Alternate Director

CHANGES IN DIRECTORS

Mr. Raymond Merz was appointed as alternate director to Mr. Koichi Ogata on 04/05/2018 and ceased to be so, w.e.f 17/05/2018.

K. L Kumar, ceased to hold office on 03/08/2018 on completion of his tenure as Independent Director.

Dr. Naotoshi Umeno, Independent Director resigned from the directorship on 04/08/2018.

Mr. Sanjay M Kaul, IAS who got appointed as Nominee Director in place of Dr. M. Beena, IAS on 29/10/2018, was replaced by Dr. Sharmila Mary Joseph, IAS, upon nomination by KSIDC, on 06/02/2019.

Mr. E. Nandakumar and Mr. Yoichiro Sakuma were appointed as Additional Directors by the Board of Directors qualifying as Independent Directors, both on 29/10/2018.

Mr. Hidenori Takemiya was appointed as Alternate Director to Mr. Koichi Ogata on 29/10/2018.

FAMILIARISATION PROGRAMME

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

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the company had held one meeting in the financial year 2018-19 on 06.02.2019. Except Mr. Yoichiro Sakuma, all other Independent Directors attended the meeting, to the exclusion of non-Independent Directors and the Management. The meeting reviewed the performance of the non-Independent Directors and the Board as a whole, including the Chairman and found them to be satisfactory.

CODE OF CONDUCT

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

BOARD PROFILE AS ON 31.03.2019

A. DR. K ELLANGOVAN IAS, CHAIRMAN

A senior officer of the Indian Administrative Service, Dr. K Ellangovan has held various higher offices in Government. He is presently Principal Secretary, Dept. of Industries and Commerce, Department of Ports and Dept. of NORKA.

B. MR. SAJIV K. MENON, MANAGING DIRECTOR

B.Tech in Chemical Engineering, PGDM (Fin.& Mktg), from IIM, Bangalore, and a Fulbright Scholar at Carnegie Mellon University, USA, Mr. Sajiv K. Menon had more than 33 years' of experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of NGIL on 01.04.2014.

C. MR. SHINYA TAKAHASHI, WHOLETIME DIRECTOR

A Bachelor in General Education and Ph.D. from Chiba University- a graduate School of Advanced Integration Science, Dr. Takahashi had long tenure as General Manager (QA), Nitta Gelatin Inc, Japan.

D.DR. SHARMILA MARY JOSEPH, IAS

Dr.Sharmila Mary Joseph,a senior officer of the Indian Administrative Service,has had varied experience working at the helm of Govt. Departments and Agencies. She is presently the Managing Director of Kerala State Industrial Development Corporation Limited (KSIDC) and Secretary, Finance, Govt. of Kerala.

E. MR. A. K.NAIR

A B.E and MBA,Mr. A.K. Nair has more than 47 years' experience in senior managerial positions in various industries, including as Managing Director of Kerala State Industrial Development Corporation Limited following which he was also the Managing Director of NGIL (erstwhile KCPL)for two terms of 5 years each. He is now an Independent Director of the Company after his statutory cooling period during which he continued as a Non-Executive Director of the Company.

F. MR. E. NANDAKUMAR

A Chemical Engineer with MBA, he was earlier Executive Director of BPCL Kochi Refinery – a career spanning over 30 years with Oil Refinery, Petrochemicals and Gas processing. He was also Director in the Board of Cochin Port Trust, Cochin International Air Port Limited and Petronet CCK.

G. MRS. RADHA UNNI

Mrs. Radha Unni,M.A, B.Ed, CAIIB, is a Banker by profession, with 37 years' experience in State Bank of India, where she retired as Chief General Manager in charge of Kerala Circle. She is an Independent Director of the Company, also acting as Chairperson of the Audit Committee.

H.MR. YOICHIRO SAKUMA

Mr. Yoichiro Sakuma an Independent Director was earlier Director and Executive Vice President of Nitto Denko, Japan.

I. MR. KOICHI OGATA

Mr. Koichi Ogata is President, NGI, Japan, having earlier held senior positions in the Industry.

J. DR. K CHERIAN VARGHESE

Dr. K Cherian Varghese has served as the CMD of Corporation Bank and Union Bank of India and Executive Director of Central Bank of India. He had served as the Chairman and CEO of South Indian Bank Ltd during the period 1991-1996. He also served as a member and Chairman of the Board for Industrial and Financial Reconstruction of Govt. of India. He holds a PhD in Commerce – Business Policy and Administration and is an Associate of the Chartered Institute of Bankers, London.

K. HIDENORI TAKEMIYA

Mr. Hidenori Takemiya who alternates as Director for Mr. Koichi Ogata, is General Manager, NGI, Japan.

Matrix setting out the skills/expertise/core competencies of the Board of Directors

While selecting/ electing Directors on the Board, the criteria generally applied over the years, by the Company are as hereinbelow. Henceforth, values to be assigned to corresponding variables – being, Essential and Desirable – as envisaged under governing Regulations.

Skill Area	Description	E (Essential) D (Desirable) #
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives, relevant policies and priorities.	
Policy Development	Ability to identify key issues and opportunities and develop appropriate policies to define the parameters within which the organisation should operate.	
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise.	
	Ability to identify key risks in a wide range of areas including legal and regulatory compliance.	
	Experience in the appointment and evaluation of a CEO and senior executive managers	
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to: • Analyse key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning; • Oversee budgets and the efficient use of resources; • Oversee funding arrangements and accountability	
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.	
Marketing & Communications	Knowledge of and experience in marketing services to members and public promotion campaigns.	
	Experience in, or a thorough understanding of, communication with industry groups and/or end users through a range of relevant communication channels.	

Member and stakeholder engagement	High level reputation and established networks in the industry, consumer or business groups, and the ability to effectively engage and communicate with key stakeholders.	
Commercial Experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.	
Legal	Qualification and experience in legal practice with emphasis on: • Specialty Chemical Industry • Pharmaceutical Industry • Employment law • Health & Safety legislation	
Geographic, Gender and cultural diversity	Geographic and cultural diversity on the board should be reflective of the diversity in the Industry.	
	Equal gender representation should be sought for the board to reflect gender diversity of the Indian population.	
Human Resource Management	Qualification and experience in human resource management with an understanding of: • Specialty Chemical and Pharmaceutical Industry • Employment law	
Information Technology / Digital Skills	Qualification and experience in IT and/or Digital industries with an ability apply new technology to the Specialty Chemical industries.	

An evaluation for grading of Directors under each of the skill areas shall be undertaken by the Board of Directors from time to time as envisaged under law.

3. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee of the Board conforming to the requirements as prescribed by the Securities and Exchange Board of India (SEBI) on Corporate Governance, Listing Regulations outlined in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee consists of 4 non-executive Independent Directors. The committee now consists of Dr. K Cherian Varghese, Mr. A.K. Nair, Mr. E Nandakumar and Mrs. Radha Unni as members. Mrs. Radha Unni continues as the Chairperson of the Committee. Earlier, Mr K.L Kumar who ceased to be member on 03.08.2018 consequent on vacating office as a Director, was replaced by Mr. E Nandakumar who got appointed on the Committee on 06.02.2019.

The terms of reference of the Audit Committee sufficiently cover the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India(Listing Obligations & Disclosure Requirements Regula tions 2015 and include overseeing of financial reporting process and development of financial information, ensuring the correctness of financial statements, reviewing with management, internal and external Auditors the adequacy of internal control system, reviewing the Company's financial and risk management policies and reviewing the related party transaction besides

Internal Financial Controls and risk management systems. Mr. G.Rajesh Kurup, Company Secretary, acts as the Secretary of the Committee, as envisaged under law.

Four Audit Committee Meetings were held during the financial year 2018-19, the dates of which are 04/05/2018, 02/08/18, 29/10/2018 and 06/02/2019.

The attendance of members is as follows:

Name of Directors	Category	No. of meetings attended/Held
Mrs. Radha Unni	Chairperson	3/4
Mr. A.K.Nair	Member	4/4
Mr. E. Nandakumar	Member	Nil
Dr. K.Cherian Varghese	Member	4/4
Mr. K.L. Kumar	Member	3/3

Mrs. Radha Unni, as Chairperson of the Audit Committee, was present at the Annual General Meeting of the Company, held on 3rd August,2018 to answer shareholder queries.

4. NOMINATION AND REMUNERATION COMMITTEE

As per Regulation 19(1)of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration committee shall comprise of atleast three directors, all of them shall be Non-Executive directors and at least 50% of the directors shall be Independent Directors. Accordingly, The Committee consisted of Mr. A.K. Nair as Chairman with Dr. K.Cherian Varghese and Mr. E.Nandakumar as members. The number of members of the Committee went below the minimum during the interim when Mr K.L Kumar ceased to be a member on 03.08.18, till Mr. E.Nandakumar became a member of the committee on 29.10.18. Save the above, the company had the requisite number of members on the Committee for the year 2018-19.

The terms of reference of the Committee include remuneration and terms and conditions of appointment of Executive Directors and Senior Management personnel. The role of the committee shall include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and criteria for evaluation of performance of independent directors and the Board of Directors During the financial year 2018-19, the Nomination and Remuneration Committee held meetings on 02/08/2018 and 29/10/2018.

The attendance of members is as follows:

Name	No. of meetings attended/lower case
Mr. A K Nair	2/2
Mr. E. Nandakumar	1/1
Dr. K Cherian Varghese	2/2
Mr. K.L. Kumar	1/1

Performance Evaluation Criteria for Independent Directors

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

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

* Highest Personal and Professional ethics, integrity and values.
* Inquisitive and objective perspective,practical wisdom and mature judgment.
* Demonstrated intelligence, maturity, wisdom and independent judgment.
* Self- confidence to contribute to Board deliberations,and stature such that other Board members will respect his or her view.
* The willingness and commitment to devote the extensive time necessary to fulfill his/her duties.
* The ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others.
* The skills,knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including but not limited to relevant experience

in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

* Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings.
* Effective deployment of knowledge and expertise.
* Effective management of relationship with various stakeholders.
* Independence of behaviour and judgement.
* Maintenance of confidentiality of critical issues.

5. REMUNERATION OF DIRECTORS

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

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

Name	Sitting fees (Rs.)
Dr K Ellangovan	36,000
Mr. Sanjay M Kaul	18,000
Dr. Sharmila Mary Joseph	-
Dr. M Beena IAS	36,000
Dr. K Cherian Varghese	1,98,000
Mr. A K Nair	3,31,000
Mr. K L Kumar	1,44,000
Mrs. Radha Unni	1,26,000
Mr. E Nandakumar	72,000
Mr. Yoichiro Sakuma	18,000

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

(c) Details of Remuneration for the Financial Year 2018-19

Name	Salary	PF	Incentive	Other Benefits	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Executive Directors:					
a) Managing Director:	88,96,104	5,27,076	15,97,200	44,54,256	1,54,74,636
Mr. Sajiv K Menon					
b) Whole Time Director:	16,20,000	-	-	8,21,627	24,41,627
Mr. Shinya Takahashi					

Details of performance linked incentive- Managing Director

Incentive Criteria	Achievement in % of incentive Amount/ 'pm	% of incentive	Amount/ pm	Achievement in %	% of incentive	Amount / pm	Achievement in %	% of incentive	Amount/ pm	Achievement in %	% of incentive	Amount /pm	Achievement in %	% of incentive	Amount/ pm
Actual consolidated Net Profit before tax in current period as compared to that as per Board Budgeted for the same Period.	Up to 50%	50.05	100000	50.01 to 80%	62.5	125000	80.01 to 100%	75	150000	100.01 to 110%	100.00	200000	Above 110.01%	125	250000
Increase in total Revenue (consolidated) in current period compared to corresponding pr-yr period	Upto 5%	16.67	33100	5.01 to 7.50%	20.83	41600	7.51 to 10%	25	50000	10.01 to 15%	33.33	66500	Above 15.01%	41.67	82750
Total		66.67	133100		83.33	166400		100	200000		133.33	266500		166.67	332750

The maximum incentive payable will be Rs. 3,32,750/- per month and minimum Rs. 1,33,100/- per month

Service contract with the Managing Director is ending on 31.03.2020 and that of Whole Time Director is upto the period ending on 09.05.2019 respectively, terminable earlier upon notice period of three months on either side; with no severance fees.

No Stock option was issued during the period.

6.STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board had set up a Stakeholders' Relationship Committee to consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee during the year consisted of three Directors – save the interim period between 03.08.18 and 28.10.18 – with Mr.A.K.Nair (Chairman), and Mr.Sajiv K Menon as member, besides Mr. K.L Kumar who ceased to be member on 03.08.18, whereupon the committee was reconstituted by inclusion of Mr. Shinya Takahashi on 29.10.2018.

Name and designation of Compliance Officer: Mr. G.Rajesh Kurup, Company Secretary.

Number of shareholders complaints received so far: Nil

Number not solved to the satisfaction of the shareholders: Nil

Number of pending complaints: Nil

All valid transfer requests received upto 31.03.2019 have been registered.

7. GENERAL BODY MEETINGS:

(a) Date, Time and Location of three preceding Annual General Meetings

AGM	Financial Year	Day	Date	Time	Location
42nd	2018	Friday	03.08.2018	12.00 Noon	Fine Arts Hall,Ernakulam
41st	2017	Saturday	24.06.2017	12.00 Noon	Fine Arts Hall,Ernakulam
40th	2016	Wednesday	03.08.2016	12.00 Noon	Fine Arts Hall,Ernakulam

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

Date of AGM	Nature of Special Resolution
03.08.2018	Nil
24.06.2017	Nil
03.08.2016	1. Re-appointment of Mr. Takeo Yamaki as a Wholetime Director designated as Director (Operations)

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

Date of Court Convened Meeting	Nature of Special Resolution
27.12.2018	Approval of (i) Scheme of Merger and Amalgamation of Reva Proteins Ltd with Nitta Gelatin India Ltd and their respective shareholders and creditors (ii) consequent alteration of authorised capital clause of the Memorandum of Association and Articles of Association of Nitta Gelatin India Ltd and (iii) issue of 44,44,444 Redeemable Preference Shares to the Equity Shareholders of Reva Proteins Ltd other than Nitta Gelatin India Ltd, being the Transferee Company.

The above resolutions passed under Sections 230 to 232 read with Sections 13, 14 and 61 and other applicable provisions of the Companies Act, 2013 (“Act) and the Rules, Circulars and notifications made there under read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, and as further clarified by Circular No CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, Circular No.CFD/DIL3/CIR/2017/105 dated 21st September, 2017, and Circular No.CFD/DIL3/CIR/2018/2 dated 3rd January, 2018 (hereinafter collectively referred to as ‘the Circulars’).

Details of voting pattern

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	6762520	0	0	0	0	0	0
	Poll		6762520	100	6762520	0	100	0
	Postal Ballot		0	0	0	0	0	0
	Total	6762520	6762520	100	6762520	0	100	0

Public-Institution s	E-Voting	10471	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	Total	10471	0	0	0	0	0	0
			0	0	0	0	0	0
Public-Institution s	E-Voting	2306169	4020	0.17	3407	613	84.75	15.25
	Poll		4422	0	4422	0	100	0
	Postal Ballot		10519	0	10517	2	99.98	0.02
	Total	**2306069**	**18961**	**0.82**	**18346**	**615**	**96.76**	**3.24**
Total		**9079160**	**6781481**	**74.69**	**6780866**	**615**	**99.99**	**0.01**

(d) The NCLT, Chennai had appointed Mr. Abhilash Nediyalil Abraham, Practising Company Secretary as Scrutiniser for the postal ballot exercise.

(e) The Company does not intend as of now to pass any special resolution through postal ballot during the financial year 2019-20; which if at all conducted, shall follow the procedure prescribed under section 110 of the Companies Act,2013 and Rules thereon.

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting, date, time & venue: Friday, 02.08.2019 at 12 Noon at Fine Arts Hall, Ernakulam, Kochi-682036.

ii) Financial Year: 1st April 2018 to 31st March 2019.

iii) Date of book closure: 27.07.2019 to 02.08.2019 (both days inclusive)

iv) Dividend payment date: (if declared at the Annual General Meeting) latest by 02.08.2019.

v) The Company's Equity Shares are listed on the following Stock exchange and the annual listing fee to such Stock Exchange has been paid:

BSE Ltd.
PhirozeJeejeebhoyTowers,
Dalal Street,
Mumbai – 400001

vi) Stock Code: 506532 (BSE)

vii) Market price data (monthly High and Low) of the Company's Equity shares traded on BSE Ltd, in comparison to BSE Sensex during the period April, 2018 to March, 2019 is given below.

Year	Month	Market price of NGIL shares		BSE Sensex	
2018	April	219.70	200.15	35,213.30	32,972.56
	May	234.00	185.00	35,993.53	34,302.89
	June	196.00	170.30	35,877.41	34,784.68
	July	197.00	170.00	37,644.59	35,106.57
	August	196.50	163.60	38,989.65	37,128.99

	September	176.90	125.20	38,934.35	35,985.63
	October	153.95	126.40	36,616.64	33,291.58
	November	141.90	129.15	36,389.22	34,303.38
	December	142.50	119.95	36,554.99	34,426.29
2019	January	142.90	125.10	36,701.03	35,375.51
	February	134.90	120.05	37,172.18	35,287.16
	March	142.00	123.00	38,748.54	35,926.94

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

ix) Registrars and Share Transfer Agents:

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

x) Share transfer system

The Share Transfer Committee considers transfers/transmission of shares issued by the Company,issue of duplicate certificates and certificates after split/consolidation/renewal. The Share Transfer Committee comprised of Mr.A.K.Nair, Director as Chairman and Mr. Sajiv K. Menon, Managing Director and Mr. K. L. Kumar, Director as members. Mr. K. L. Kumar ceased to be director on 03.08.2018. During the year, the committee held four meetings.

Distribution of Shareholding and Shareholder’s Profile:

a) Distribution of shareholding as on 31 st March, 2019

No of Equity Shares held	No. of Shareholders	% of shareholders	No. of shares held				
			Physical	NSDL	CDSL	Total	% of shareholding
1-1000	3224	52.77	132875	58377	266573	457825	5.04
1001-5000	2155	35.27	11565	276877	258604	547046	6.03
5001-10000	379	6.20	12999	165811	71344	250154	2.76
10001 and above	352	5.76	0	7559827	264308	7824135	86.18
Total	6110	100	157439	8060892	860829	90791600	100

b) Shareholders Profile as on 31st March, 2019

Category	No. of Shareholders	% of shareholders	No. of shares held	% of shareholding
Resident	5623	92.01	1819888	20.04
Financial Institutions	1	0.02	6066	0.07
NRIs	66	1.08	32492	0.36
Corporate Bodies	116	1.90	7054829	77.70
Clearing Member	7	0.11	1781	0.02
Mutual Funds	6	0.10	4239	0.05
Banks	2	0.03	166	0.00
Resident	181	2.96	98758	1.09
IEPF	1	0.02	27469	0.30
Employees	108	1.77	33472	0.37
Total	6111	100	9079160	100

xii) Dematerialisation of Shares

As at 31st March, 2019, there are 8921721 shares, representing 98.27 %of equity paid-up share capital indematerialised form. This includes 8060892 shares (88.78%) in NSDL and 860829 shares (9.48%) in CDSL. No shares were re-materialised during the year.

xiii) Outstanding GDRs/ ADRs Warrants or any Convertible instruments,conversion date and likely impact on Equity (as on 31.3.2019) - Nil

xiv) The Company broadly follows a Policy of hedging for foreign currency receivables of about 60% of the exchange receivables. The appropriate hedging rates are based on company's budgeted rates, market factors and related developments.

xv) Plant Locations

The Company's plants are located at:

1. Kathikudam P.O., Via. Koratty, Trichur District, Pin- 680 308.
2. Kinfra Export Promotion Industrial Parks Ltd., PB. No.3109, Kusumagiri P.O., Ernakulam District, Pin- 682 030.
3. District Industrial Estate, Aroor, CherthalaTaluk, Alappuzha.

4.832, GIDC Jhagadia, Jhagadia, Bharuch, Gujarat, 393110 upon merger of Reva Proteins Limited with Nitta Gelatin India Limited.

xvi) Address for investor correspondence:

1.Cameo Corporate Services Ltd, "SubramanianBuilding, 1, Club House Road, Chennai-600 002 Tel:044-28460390, Fax: 044-28460129 Email:cameo@cameoindia.com	2. Nitta Gelatin India Limited, PB No.4262, 54/1446, SBT Avenue Panampilly Nagar,Kochi - 682 036, Kerala Tel: 0484 -2317805, Fax : 0484-2310568 Email : investorcell@nittagelindia.com

xvii) List of all credit ratings obtained by the entity along with any revisions thereto during the financial year,for all debt instruments of the company or any fixed deposits programme or any scheme or proposal of the company involving mobilization of funds whether in India or abroad.

NIL

10. OTHER DISCLOSURES

(a) There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries which have/may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions with related parties are given in the Notes to the Accounts (See Note No. 3.29 of Standalone Financial Statement). The Company has taken omnibus approval of the Board for related party transactions. The Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. Besides, mention is also made in the Board's Report further attaching the relevant policies as annexure thereto. The web link where policy on dealing with Related Party Transactions is disclosed is:
http://gelatin.in/uploads/homecontent/RPT_20160725111744.pdf

(b) There were no instances of non-compliance by the Company leading to imposition of penalties,strictures by the stock exchange or SEBI or any other statutory authority,on matters related to capital markets during the last three years.

(c) No personnel of the Company has been denied access to the Audit Committee of the company (in respect of matters involving alleged misconduct). The Company has provided protection to "whistle blowers from unfair termination and other unfair or prejudicial employment practices. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The Company has adopted measures for airing concerns about unethical behavior, both for the Directors and employees. This has been made part of the machinery of Audit Committee and informed in the official website of the company. A mention of the same is also made in the report of the Directors.
Pursuant to proviso to Section 177 (10) of the Companies Act, 2013 a 'Vigil mechanism' has been constituted as a part of the function of Audit Committee of Board. The vigil mechanism provides for adequate safeguards against victimization of directors or employees or any other person who avail the mechanism and also provides for direct access to the chairperson of the Audit Committee

in appropriate cases. The Committee shall oversee Vigil Mechanism for Directors and Employees to report concerns about unethical behavior,actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

(d) All mandatory requirements have been complied with while non-mandatory requirements complied have been reported in Para 11 herein below.

(e) The company has formulated a material subsidiary policy which has been disclosed in the company website. Besides, mention is also made in the Board's Report. The web link where policy for determining "MaterialSubsidiaries is disclosed is:

http://gelatin.in/uploads/homecontent/MS_20160725111613.pdf

(f) The web link where policy on dealing with related party transactions is disclosed as http://gelatin.in/uploads/home content/RPT_20160725111744.pdf

(g) The Company does not deal in commodity hedging activities and is therefore free from any risk arising there from.

(h) The Company has not raised any funds through preferential allotment or qualified institutional placement as per Regulation 32(7A) during the financial year.

(i) Certificate from Practising Company Secretary states that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board /ministry of Corporate Affairs or any statutory authority.

(j) There are no pending recommendations from any Committee of the Board which are mandatorily required for the approval of the Board during the financial year.

(k) Total fee paid by the company and its subsidiaries to the Statutory Auditor on a consolidated basis ;

Total fee : Rs19,00,000/

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention,Prohibition and Redressal) Act,2013;

a. Number of complaints filed during the financial year- Nil

b. Number of complaints disposed of during the financial year- Nil

c. number of complaints pending as on end of the financial year- Nil

11. The requirements of Sub paras (2)to (10) of the Corporate Governance Report as above have been complied with during the financial year ended 31.03.2019 except for the reasons stated above in the relevant paragraph.

12. The Company has adopted discretionary requirements as per Part E of Schedule II, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as follows:

a) The Company has appointed separate persons to the post of Chairperson and Managing Director.

b) The Internal Auditors report directly to the Audit Committee of the Board.

13. The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation (46) during the financial year ended 31.03.2019 except for the reasons stated in the relevant paragraph above.

14. Designated e-mail id for investor complaints/ grievance redressal:

investorcell@nittagelindia.com

Note:

(1) Shareholders holding shares in electronic mode should address all correspondence to their respective depository participant.

(2) Non-mandatory disclosures are not being included in the report except disclosures relating to Familiarisation programme and separate meeting of Independent Directors and Code of Conduct as stated in Clause 2 herein above.

CEO/CFO CERTIFICATION
(REGULATION 17(8))

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

A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and Audit committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
SAJIV K MENON
MANAGING DIRECTOR

Sd/-
P.SAHASRANAMAN
CFO

DECLARATION OF COMPLIANCE OF
CODE OF BUSINESS CONDUCT AND ETHICS
(UNDER SCHEDULE V(D) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS),REGULATIONS,2015)

As per the affirmations received form the Directors and Senior Executives of the Company, the Directors and Senior Executives have complied with the provisions of the Code of Business Conduct and Ethics applicable to Directors and Senior Executives of the Company for the financial year ended 31st March, 2019.

Sd/-

SAJIV K MENON

MANAGING DIRECTOR

CERTIFICATE BY PRACTISING COMPANY SECRETARY

(Pursuant to Schedule V Part C 10 (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I, Shri Abhilash Nediyalil Abraham, Practising Company Secretary (M.No.22601, C.P.No.14524), on the basis of examination of the records produced, information furnished and data downloaded from MCA/ SEBI website, certify that none of the directors of Nitta Gelatin India Limited have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI/Ministry of Corporate Affairs or any other statutory authority during the financial year 2018-19.

Place: Kochi -25

Date: 26.04.2019

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

CERTIFICATE

The Members
Nitta Gelatin India Limited
Kochi – 36

I have examined relevant records of Nitta Gelatin India Limited("the Company) for the purpose of certifying compliance of conditions of Corporate Governance as per Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C,D and E od Schedule V of the Securities and Exchange Board of India(Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation) for the financial year ended 31st March, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

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

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with conditions of Corporate Governance as per Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C,D and E of Schedule Vof the securities and exchange Board of India(Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation) for the financial year ended 31st March, 2019, except there was shortfall of Independent Directors for the short period 03.08.2018 to 28.10.2018 due to retirement of Mr.K.L.Kumar and resignation of Dr. Naotoshi Umeno on 03.08.2018 and 04.08.2018 respectively and consequent to which the number of Independent Directors on the Board, Nomination and Remuneration Committee and Stakeholders Relationship Committee fell below the statutory requirement. However, sufficient number of Independent Directors appointed onto the Board and Committees on 29.10.2018 to meet the statutory requirement.

Place: Kochi-25
Date : 26.04.2019

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Nitta Gelatin India Limited

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Nitta Gelatin India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, 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.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss(financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 3.41 to the accompanying standalone financial statements, which states that pursuant to the Scheme of Amalgamation and Merger (the 'Scheme') entered into between erstwhile subsidiary company, M/s Reva Proteins Limited (the 'Transferor Company') and the Company, as approved by the Hon'ble National Company Law Tribunal, Chennai Bench, the Transferor Company has been merged with the Company as per accounting prescribed under the Scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations. Accordingly, opening balance sheet as at 1 April 2017, comparative financial information for the year ended 31 March 2018 and the accompanying standalone financial statements for the year ended 31 March 2019 have been adjusted to account for the aforesaid merger, as described in aforementioned note. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(a) Provisions and contingent liabilities relating to litigations (Refer note 3.31 of the accompanying standalone financial statements): Following are the significant matters relating to litigations that are outstanding as at 31 March 2019: i. Customs duty demand of Rs. 19,68,35,881 ii. Water cess demand of Rs. 6,53,01,200 iii. Other tax matters of Rs. 12,18,37,037 The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported loss and balance sheet position. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. Key judgments are also made by the management in estimating the amount of liabilities, provisions and/ or contingent liabilities related to aforementioned litigations. Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.	Our audit work included, but was not limited to the following procedures: • Obtained an understanding of the management process for: - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved. • On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing. • Obtained independent opinion/confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims. • Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. • Assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations. • Involved our tax specialists to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. • Evaluated the disclosures made under provisions and contingent liability for their appropriateness in accordance with the applicable accounting standards.

(b) Impairment assessment of the carrying value of Property, Plant and Equipment(Refer note 3.01 of the accompanying standalone financial statements) Pursuant to the Scheme of Merger and Amalgamation (the 'Scheme) as detailed in note 3.41 to the standalone financial statements, the assets and liabilities of the Transferor Company have been recognised in the books of the Company at their carrying amounts as on 1 April 2017,which includes the carrying value of Property, Plant and Equipment ('PPE') as at 31 March 2019 Rs. 30,66,81,888. As mentioned in note 3.01 to the standalone financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at 31 March 2019, in the manner prescribed under Ind. AS 36 – Impairment of Assets, there is no impairment in the carrying value of the PPE as at 31 March 2019. Fair value and value-in-use of such PPE for the determination of the recoverable amounts involves significant judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, future cash flow projections made by the management using internal and external assumptions, and using appropriate discount rate. As a result of such judgements and significance of the amounts involved, the matter has been identified as a key audit matter in the current year audit. Emphasis of Matter This matter is also considered as fundamental to the understanding of the users of the financial statements.	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of the management process and performed a walkthrough to evaluate design effectiveness and tested operating effectiveness of key controls around identification of impairment indicators, impairment testing of property, plant and equipment which include identification of cash generating units at which level such impairment testing is required to be performed. • Obtained and reviewed the valuation report given by the valuation specialist for the fair value of the PPE using cost approach valuation model. • Assessed the valuation specialist's qualification, expertise, objectivity and reviewed their terms of engagement to determine whether there were any matters that may have imposed scope limitations upon their work. • Tested the key inputs on sample basis such as capitalization date, gross and net block as at 31 March 2019, useful life used by the valuation expert by comparison of the same from the fixed assets register. • Obtained the business plans of the Company for the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Performed sensitivity analysis in respect of the key assumptions used,including revenue growth rates, cost reduction targets and discount rate to verify appropriateness of such assumptions. • Compared the actual results of estimates made in prior period to assess accuracy of management's estimates. • Assessed appropriateness of the disclosures made by the management for impairment assessment of carrying value of PPE.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting

principles generally accepted in India, including the Ind AS specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report un-

less law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The financial information of the Transferor Company for the year ended 31 March 2018 and balance sheet as at 1 April 2017 included in the comparative financial information given in accompanying standalone financial statements are based on first Ind AS compliant financial statements of the Transferor Company prepared for the year ended 31 March 2018, which were audited by another firm of Chartered Accountants, M/s Varma and Varma, who expressed an unmodified opinion on those financial statements vide their audit report dated 3 May 2018.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its director in excess of limits laid down under section 197 read with Schedule V to the Act by 5,916,263, which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting in accordance with the provisions of section 197 read with Schedule V of the Act, as mentioned in note 3.29 to the accompanying standalone financial statements.

18. 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 9 May 2019 as per Annexure II expressed unmodified;

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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 3.31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

ii. the Company did not have any long-term cont -racts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Kochi
9 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited, on the standalone financial statements for the year ended 31 March 2019

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties are held in the name of the Company except for the following properties which were transferred as a result of amalgamation of transferor company as stated in note 3.41 to the standalone financial statements wherein the tittle deeds are in the name of the erstwhile company:

Nature of property	Total Number of Cases	Whether leasehold / freehold	Gross block as on 31 March 2019 ( )	Net block on 31 March 2019 ( )	Remarks
Land	1	Leasehold	6,22,69,322	5,65,02,360	The title deeds are in the name of Reva Proteins Limited,erstwhile company that was merged with the Company except for 12486.25 square meters of land at Jhagadia Industrial Estate, Bharuch District, Gujarat (Gross Book Value of Rs. 79,09,260/-and Net Book Value of Rs..71,83,430/-) as stated in Note No 3.06 to the standalone financial statements whose title deed are in the name of GIDC.
Building	1	Freehold	16,56,93,840	8,57,32,476	The title deeds are in the name of Reva Proteins Limited, erstwhile company that was merged with the Company.

ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and material discrepancies noticed on physical verification have been properly dealt with in the books of account.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect of cess, which was outstanding at the year end for a period more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	**Nature of dues**	**Amount (RS)**	**Period to which the amount relates**	**Remarks**
The Water (Prevention and Control of Pollution) Cess Act, 1977	Water cess	8,91,790	July 2011, August 2011, April 2016, May 2016 and January 2017 to September 2017	Payment of dues is made based on the order of assessment received under the Water (Prevention and Control of Pollution) Cess Act, 1977

b) The dues outstanding in respect of income-tax, sales-tax,service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues:

Name of the statute	Nature of dues	Amount (Rs)	Amount paid under Protest (Rs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	4,15,81,200	11,61,060	AY 2009-10 to 2014-15	Commissioner of Income Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax	12,37,334	12,37,334	FY 2009-10	Deputy Commissioner of Sales Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax	48,56,016	14,31,648	FY 2010-11	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	69,58,866	15,22,697	FY 2010-11, 2011-12 and 2013-14	Deputy Commissioner of Sales Tax (Appeals)

Central Sales Tax Act, 1956	Central Sales Tax	19,91,185	-	FY 2014-15	Assistant Commissioner of Sales Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax	7,11,04,350	-	FY 2011-12	Assistant Commissioner, Sales Tax
Customs Act, 1962	Custom duty	19,68,35,881	-	FY 2011-12 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944 Central excise	Central excise	3,50,74,543	-	FY 2003-04 to 2014-15	Commissioner of Central Excise and Customs
Central Excise Act, 1944	Central excise	7,20,668	36,252	FY 2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944	Central excise	5,72,606	28,630	FY 2010-11 to 2012-13	Commissioner (Appeals)
Finance Act, 1994	Service tax	35,49,668	1,39,065	FY 2010-11 to 2012-13	Commissioner (Appeals)
Finance Act, 1994	Service tax	3,68,058	18,402	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Interest on service tax demands	28,90,147	-	FY 2010-11 to 2012-13	Commissioner (Appeals)

viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions or bank during the year. The Company has neither taken any loans or borrowings from government nor has any dues to debenture-holders.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) As stated in Note no. 3.29 to the standalone financial statements, the Company has paid remuneration aggregating to Rs. 59,16,263 is excess of limits laid down under section 197 read with Schedule V to the Act, which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting in accordance with the provisions of section 197 read with Schedule V of the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Kochi
9 May 2019

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Nitta Gelatin India Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Kochi
9 May 2019

NITTA GELATIN INDIA LIMITED
BALANCE SHEET AS AT 31 MARCH, 2019

(All amounts in ₹, unless otherwise stated)

		Note	As at 31 March 2019	As at 31 March 2018 Restated	As at 01 April 2017 Restated
ASSETS					
Non-current Assets					
(a)	Property, Plant and Equipment	3.01	1,18,18,47,457	1,09,34,62,774	1,06,18,34,087
(b)	Capital Work-in-progress	3.01	3,18,46,351	10,04,53,028	12,81,98,495
(c)	Other Intangible Assets	3.02	26,06,313	50,26,885	35,87,661
(d)	Financial assets				
	(i) Investments	3.03	4,42,39,174	439,42,832	4,39,98,234
	(ii) Loans	3.04	17,33,741	5,82,247	4,08,242
	(iii) Other financial assets	3.05	4,16,92,842	3,19,94,437	3,10,21,199
(e)	Deferred tax assets (net)	3.15	-	-	3,98,91,591
(f)	Non current tax assets (net)		19,02,29,682	16,45,72,415	4,97,41,016
(g)	Other non-current assets	3.06	13,21,61,404	11,77,05,169	12,76,49,258
			1,62,63,56,964	**1,55,77,39,787**	**1,48,63,29,783**
Current Assets					
(a)	Inventories	3.07	64,41,62,020	72,35,43,369	73,44,80,925
(b)	Financial assets				
	(i) Trade Receivables	3.08	53,29,24,499	61,46,72,845	52,42,51,859
	(ii) Cash and cash Equivalents	3.09	4,01,05,813	3,05,98,933	3,55,03,673
	(iii) Bank balances other than cash and cash equivalents	3.10	1,15,06,354	4,02,86,130	11,29,70,922
	(iv) Loans	3.04	20,61,603	2,59,045	2,22,711
	(v) Other financial assets	3.05	2,99,45,557	1,23,52,965	6,46,11,930
(c)	Other current assets	3.06	6,05,32,755	6,93,39,681	6,49,68,409
			1,32,12,38,601	**1,49,10,52,968**	**1,53,70,10,429**
Assets held for sale		3.11	**-**	**-**	**1,22,71,364**
Total Assets			**2,94,75,95,565**	**3,04,87,92,755**	**3,03,56,11,576**
EQUITY AND LIABILITIES					
Equity					
(a)	Equity share capital	3.12	9,07,91,600	9,07,91,600	9,07,91,600
(b)	Other equity	3.13	1,33,46,02,284	1,37,70,83,961	1,38,41,05,581
			1,42,53,93,884	**1,46,78,75,561**	**1,47,48,97,181**
Non-current liabilities					
(a)	Financial liabilities				
	(i) Borrowings	3.14	33,86,28,828	37,65,45,017	43,16,64,347
(b)	Provisions	3.18	1,99,82,149	2,91,03,118	2,40,91,469
(c)	Deferred Tax Liabilities (Net)	3.15	2,16,93,599	2,60,03,340	-
			38,03,04,576	**43,16,51,475**	**45,57,55,816**
Current Liabilities					
(a)	Financial liabilities				
	(i) Borrowings	3.14	61,26,74,252	59,32,36,597	63,69,46,735
	(ii) Trade Payables				
	(a) Total outstanding dues of micro enterprises and small enterprises	3.16	1,47,400	11,33,730	4,73,250
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.16	21,22,48,544	26,67,44,864	23,21,63,705
	(iii) Other financial liabilities	3.17	9,39,55,137	9,58,36,176	8,73,68,645
(b)	Other current liabilities	3.19	9,69,12,070	6,14,86,726	2,09,43,983
(c)	Provisions	3.18	2,36,00,199	2,84,68,123	2,47,02,758
(d)	Current tax liability (net)		10,23,59,503	10,23,59,503	10,23,59,503
			1,14,18,97,105	**1,14,92,65,719**	**1,10,49,58,579**
Total equity and liabilities			**2,94,75,95,565**	**3,04,87,92,755**	**3,03,56,11,576**

See accompanying notes forming part of these standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
Chairman
DIN : 05272476

SAJIV K. MENON
Managing Director
DIN : 00168228

RADHA UNNI
Director
DIN : 03242769

DR. SHARMILA MARY JOSEPH IAS
Director
DIN : 07974964

A. K. NAIR
Director
DIN : 00009148

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

E NANDAKUMAR
Director
DIN : 01802428

DR. SHINYA TAKAHASHI
Director
DIN: 07809828

SAHASRANAMAN P.
Chief Financial Officer

G. RAJESH KURUP
Company Secretary

NITTA GELATIN INDIA LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ , unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018 Restated
INCOME			
Revenue from operations	3.20	2,61,19,79,802	3,43,32,60,484
Other income	3.21	70,50,608	4,53,33,379
Total income		**2,61,90,30,410**	**3,47,85,93,863**
EXPENSES			
Cost of materials consumed	3.22	1,08,51,43,940	1,84,95,67,720
Purchases of stock-in-trade		2,94,87,245	1,17,28,800
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.23	4,79,64,250	(10,81,87,692)
Employee benefits expense	3.24	32,59,44,385	32,15,44,987
Finance costs	3.25	7,89,40,653	6,04,70,991
Depreciation and amortisation expense		14,26,38,623	14,31,93,054
Other expenses	3.26	94,55,63,860	1,09,29,08,298
Total Expenses		**2,65,56,82,956**	**3,37,12,26,158**
(Loss) / Profit before tax		**(3,66,52,546)**	**10,73,67,705**
Tax expense	3.37		
Current tax		-	2,78,00,000
Minimum Alternate tax credit entitlement		-	(2,78,00,000)
Deferred tax		(1,02,86,805)	6,96,16,027
(Loss) / Profit for the year		**(2,63,65,741)**	**3,77,51,678**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Re-measurement gains/ (losses) in defined benefit plans		(5,28,624)	(56,96,103)
Income tax effect		1,84,723	19,27,441
		(3,43,901)	**(37,68,662)**
b) Measurement of financial assets through OCI			
Income tax effect		2,96,342	(55,402)
		(61,637)	11,413
		2,34,705	**(43,989)**
Net of items that will not be reclassified to profit or loss:		**(1,09,196)**	**(38,12,651)**
Items that will be reclassified subsequently to profit or loss:			
a) Gain/ (loss) recognised on cash flow hedges		1,74,56,930	(51,49,800)
Income tax effect		(61,00,150)	17,82,243
		1,13,56,780	**(33,67,557)**
Net of items that will be reclassified subsequently to profit or loss:		**1,13,56,780**	**(33,67,557)**
Other comprehensive income/ (loss), net of tax		**1,12,47,584**	**(71,80,208)**
Total comprehensive income / (loss) for the year		**(1,51,18,157)**	**305,71,470**
Earnings per equity share	3.27		
Basic		**(2.90)**	**4.16**
Diluted		**(2.90)**	**4.16**

See accompanying notes forming part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
Chairman
DIN : 05272476

SAJIV K. MENON
Managing Director
DIN : 00168228

RADHA UNNI
Director
DIN : 03242769

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DIN : 01802428

DR. SHINYA TAKAHASHI
Director
DIN: 07809828

SAHASRANAMAN P.
Chief Financial Officer

G. RAJESH KURUP
Company Secretary

NITTA GELATIN INDIA LIMITED

Statement of Cash Flows for the year ended 31 March 2019

(All amounts in ₹ , unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018 Restated
A. Cash flows from operating activities		
(Loss) / Profit before tax	**(3,66,52,546)**	**10,73,67,705**
Adjustments for:		
Depreciation and amortisation expense	14,26,38,623	14,31,93,054
Loss on assets sold/written off (Net)	20,91,218	25,16,374
Provision for assets held for sale	-	1,22,71,364
Finance costs	7,89,40,653	6,04,70,991
Interest income	(35,63,588)	(49,42,695)
Dividend income from non current investments	(42,372)	(10,920)
Provision for doubtful debts	(9,18,592)	4,98,293
Net unrealised foreign exchange loss/(gain)	38,09,907	19,20,059
Operating profit before working capital changes	**18,63,03,303**	**32,32,84,225**
Adjustments for working capital changes:		
Decrease / (Increase) in trade and other receivables	6,93,20,500	(5,39,26,081)
Decrease in inventories	7,93,81,349	1,09,37,556
(Decrease) / Increase in trade and other payables	(2,53,08,613)	9,28,52,330
(Decrease) / Increase in provisions	(1,45,17,512)	30,80,911
Cash generated from operations	**29,51,79,027**	**37,62,28,941**
Income taxes paid	(2,56,57,267)	(11,48,31,399)
Net cash generated from operating activities	**26,95,21,760**	**26,13,97,542**
B. Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(16,21,86,056)	(14,60,38,930)
Proceeds from disposal of property, plant and equipment	18,65,457	9,94,828
Movement in other bank balances	2,76,56,465	7,32,59,078
Interest received	35,10,747	48,53,704
Dividend received	42,372	10,920
Net cash used in investing activities	**(12,91,11,015)**	**(6,69,20,400)**
C. Cash flows from financing activities		
Movement in short term borrowings (net)	1,03,43,134	(4,47,46,947)
Repayment of long term borrowings	(3,82,33,377)	(5,51,32,818)
Dividend paid	(2,26,43,015)	(3,13,20,113)
Tax paid on dividend	(46,65,620)	(63,58,606)
Interest paid	(7,57,04,987)	(6,18,23,398)
Net cash used in financing activities	**(13,09,03,865)**	**(19,93,81,882)**
Net decrease/(increase) in cash and cash equivalents	**95,06,880**	**(49,04,740)**

NITTA GELATIN INDIA LIMITED

Statement of Cash Flows for the year ended 31 March 2019 (Contd.)

	Year ended 31st March 2019	Year ended 31st March 2018 Restated
Cash and cash equivalents at beginning of the year	**3,05,98,933**	**3,55,03,673**
Cash and cash equivalents at the end of the year	**4,01,05,813**	**3,05,98,933**
	95,06,880	**(49,04,740)**

See accompanying notes forming part of these standalone financial statements.

This is the Statement of Cash flows referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
Chairman
DIN : 05272476

DR. SHARMILA MARY JOSEPH IAS
Director
DIN : 07974964

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Managing Director
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Director
DIN : 01870530

DR. SHINYA TAKAHASHI
Director
DIN: 07809828

G. RAJESH KURUP
Company Secretary

NITTA GELATIN INDIA LIMITED

Statement of Changes in Equity for the year ended 31 March 2019

(All amounts in ₹, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares: Number (in Lakhs)	Equity shares: Amount
As at 1 April 2017	**90.79**	**9,07,91,600**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**90.79**	**9,07,91,600**
Add: Issued and subscribed during the year	-	-
As at 31 March 2019	**90.79**	**9,07,91,600**

B. Other equity

	Reserves and Surplus						Items of OCI			
	Securities premium	Retained earnings	Special Export Reserve	Capital Reserve due to merger	Other Equity	General Reserve	Hedge reserve	Equity Instruments through OCI	Other items of other comprehensive income / (loss)	Total
Balance as at 1 April 2017 (Restated)	**28,95,90,000**	**(770,68,691)**	**79,00,000**	**27,50,61,957**	**9,84,42,747**	**78,36,64,400**	**49,29,609**	**7,60,650**	**8,24,909**	**1,38,41,05,581**
Profit for the year	-	3,77,51,678	-	-	-	-	-	-	-	3,77,51,678
Other comprehensive income/(loss)	-	-	-	-	-	-	(33,67,557)	(43,989)	(37,68,662)	(71,80,208)
Dividend paid	-	(3,12,34,484)	-	-	-	-	-	-	-	(312,34,484)
Corporate dividend tax	-	(63,58,606)	-	-						(63,58,606)
Balance as at 31 March 2018	**28,95,90,000**	**(7,69,10,103)**	**79,00,000**	**27,50,61,957**	**9,84,42,747**	**78,36,64,400**	**15,62,052**	**7,16,661**	**(29,43,753)**	**1,37,70,83,961**
	-		-	-			-	-	-	
Profit for the year	-	(263,65,741)	-	-	-	-	-	-	-	(2,63,65,741)
Other comprehensive income/(loss)	-	-	-	-	-	-	113,56,780	2,34,705	(3,43,901)	1,12,47,584
Dividend paid	-	(226,97,900)	-	-	-	-	-	-	-	(2,26,97,900)
Corporate dividend tax	-	(46,65,620)	-	-	-	-	-	-	-	(46,65,620)
Balance as at 31 March 2019	**28,95,90,000**	**(13,06,39,364)**	**79,00,000**	**27,50,61,957**	**9,84,42,747**	**78,36,64,400**	**1,29,18,832**	**9,51,366**	**(32,87,654)**	**1,33,46,02,284**

See accompanying notes forming part of these standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
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DR. SHINYA TAKAHASHI
Director
DIN: 07809828

G. RAJESH KURUP
Company Secretary

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

1. GENERAL INFORMATION:

Nitta Gelatin India Limited ('the Company'/ 'NGIL'), a public limited company, operates in the business of manufacture and sale of ossein, gelatin, collagen peptide. The Company's shares are listed for trading on BSE Limited in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation

These financial Statements are the separate Financial Statements of the Company (also called Standalone Financial Statements) prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (As amended).

Pursuant to approval of the Hon'ble National Company Law Tribunal, Chennai Bench for the merger of erstwhile Subsidiary Company, M/s. Reva Proteins Ltd. with the Company, the comparative accounting period presented in the Standalone Financial Statements has been restated to take the accounting impact of the merger (Ref. Note 3.41).

These Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certian financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The accounting policies have been applied consistently over all the periods presented in this financial statements except as mentioned below in note 2 (b).

b) Application of New Accounting Pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below.

i. The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of Initial Application being Ist April 2018. Ind AS 115 establishes a comprehensive frame work on Revenue recognition. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The application of Ind AS 115 did not have material impact on the Financial Statements.

ii. The Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from Ist April 2018, prospectively to all assets, expenses and income initially recognized on or after Ist April 2018 and the impact on implementation of the Appendix is immaterial.

c) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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 amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Company enters into leasing arrangements for some 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.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

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. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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 bases its assumptions on observable data as far as possible but this is not always available. In that case 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.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 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.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

e) Property, plant and equipment

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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.

The Company depreciates Property, plant and equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

Asset Category	Useful lives (in years)
Factory Building	30
Office Building	60
Plant and Equipment	5-25
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/major inspection relating to property, plant and equipment is 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.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Intangible assets

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

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Company amortises intangible over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computer software	5

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.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) 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.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

h) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of Promised goods or services to a customer at an amount that reflect the consideration to which the company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that Performance obligation.

Sale of goods

Revenue from sale of goods is recognised when the control on the goods have been transferred to the customers. The Performance obligation in case of sale of goods is satified at a point of time, ie, when the material is shiped to the customer or on delivery to the customer, as may be specified in the contract.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income in the Statement of Profit and Loss.

Export Incentives

Income from export incentives are recognised when the right to receive credit as per the terms of the Scheme is established and when there is certainty of realisation.

Dividends

Revenue is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Rental income

Rental income arising from operating leases is accounted for over the lease terms and is included in other income in the statement of profit and loss.

i) Employee benefits

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

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

Defined benefit plan

Gratuity: Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the Company make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Long term employee benefits

Compensated absences : The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service and interest cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

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

j) Leases

Leases are classified as finance lease whenever the terms of the elase transfer substantially all the risks and rewards of ownership of the lease. All other leases are classified as operating lease.

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.

k) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees.

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 Statement of 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 within 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.

l) 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.

m) Inventories

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

The net realisable value of bought out inventories is taken at their current replacement value.

n) Research and development

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

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

p) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

q) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and 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 tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred 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') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

r) 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.

s) Financial instruments

Financial assets

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;

ii. Debt instruments at fair value through other comprehensive income (FVOCI);

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and

iv. Equity investments.

i. Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVOCI

A debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI

There is no recycling of the amounts from OCI to P&L, even on sale of investment However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depend on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised 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 derecognition 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 and Loss.

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

(All amounts in ₹, unless otherwise stated)

Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted foreign currency loans. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

t) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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.

u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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:

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

v) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

w) Dividend distribution to equity holders of the Company

Dividends to the Company's equity shareholders are recognised when the dividends are approved for payment by the shareholders.

(All amounts in ₹, unless otherwise stated)

x) Assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

y) 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 Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment.

z) Earnings/ (Loss) per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(aa) Business combination of entities under common control

Business combinations involving entities that are controlled by the Company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.
II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as capital reserves.

ab) Recent accounting pronouncements

Standards issued but not yet effective

(1) Ind AS 116, 'Leases'

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(2) Amendment to Ind AS 12, 'Income taxes'

On March 30, 2019, Ministry of Corporate Affairs ("MCA) has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 1, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

(3) Amendment to Ind AS 23, 'Borrowing costs'

On March 30, 2019, Ministry of Corporate Affairs ("MCA) issued an amendment to Ind-AS 23 Borrowing Costs clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. This amendment is not expected to have a material impact on the Company.

(All amounts in ₹, unless otherwise stated)

3.01 Property, plant and equipment (PPE) & Capital Work in Progress

Particulars	Land and Development	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital Work in Progress
Gross carrying amount:								
Balance as at 1 April 2017	**4,40,70,945**	**23,83,11,639**	**89,05,49,255**	**26,45,600**	**75,02,362**	**72,33,490**	**1,19,03,13,291**	**12,81,98,495**
Additions	-	2,92,02,891	13,99,55,487	19,62,913	52,85,066		17,64,06,357	6,07,22,635
Disposals	-	5,23,468	4,28,58,247	55,721	4,90,750		4,39,28,186	8,84,68,102
Balance as at 31 March 2018	**4,40,70,945**	**26,69,91,062**	**9876,46,495**	**45,52,792**	**1,22,96,678**	**72,33,490**	**13227,91,462**	**10,04,53,028**
Additions	1,32,750	5,56,14,655	16,88,53,218	14,60,007	62,57,931	4,848	23,23,23,409	2,86,56,629
Disposals	-	18,02,787	2,39,71,057	4,23,276	45,73,899	-	3,07,71,019	9,72,63,306
Balance as at 31 March 2019	**4,42,03,695**	**32,08,02,930**	**1,13,25,28,656**	**55,89,523**	**1,39,80,710**	**72,38,338**	**1,52,43,43,852**	**3,18,46,351**
Accumulated depreciation								
Balance as at 01 April 2017	-	**2,37,67,577**	**9,97,32,156**	**7,95,755**	**28,06,145**	**13,77,571**	**12,84,79,204**	
Depreciation charge for the year		2,42,66,855	11,04,79,787	8,57,285	38,31,679	18,30,862	14,12,66,468	-
Disposals		1,15,703	3,97,81,759	53,309	4,66,213	-	4,04,16,984	-
Balance as at 31 March 2018	**-**	**4,79,18,729**	**17,04,30,184**	**15,99,731**	**61,71,611**	**32,08,433**	**22,93,28,688**	-
Depreciation charge for the year		2,30,69,494	11,10,05,754	9,47,501	42,82,888	12,63,278	14,05,68,915	-
Disposals		14,63,166	2,11,92,703	4,00,264	43,45,075	-	2,74,01,208	-
Balance as at 31 March 2019	**-**	**6,95,25,057**	**26,02,43,235**	**21,46,968**	**61,09,424**	**44,71,711**	**34,24,96,395**	-
Net carrying amount								
As at 1 April 2017	4,40,70,945	21,45,44,062	7908,17,099	18,49,845	46,96,217	58,55,919	1,06,18,34,087	12,81,98,495
As at 31 March 2018	4,40,70,945	21,90,72,333	8172,16,311	29,53,061	61,25,067	40,25,057	1,09,34,62,774	10,04,53,028
As at 31 March 2019	4,42,03,695	25,12,77,873	8722,85,421	34,42,555	78,71,286	27,66,627	1,18,18,47,457	3,18,46,351

Note:

a. **Contractual obligations**

Refer Note 3.32

b. **Capitalised borrowing cost**

There is no borrowing costs capitalised during the year ended 31 March 2019 (31 March 2018 : Nil).

c. **Property, plant and equipment pledged as security**

Refer note 3.28

d. Plant & Equipment include Research & Devopment Assets capitalised during the year Rs 32,99,135 (31st March 2018 - Rs 29,11,997). (Ref. Note 3.26.1)

e. The Gross Carrying value, Accumulated depreciation and Net Carrying value as at 01st April 2017, 31st March 2018 and 31st march 2019 includes the assets of M/s Reva Proteins Limited, erstwhile Subsidiary company, (transferor company) which was merged with the Company wef 1st April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27th March 2019. The carrying value of assets and liabilities of the transferor company as of 1st April 2017 was taken over and included in the values of assets and liabilities of the Company

f. In view of the existence of certain indicators of impairment of the carrying value of Property, Plant and Equipment at its plant situated at Bharuch, taken over from the transferor company, the Company has conducted an impairment testing of the carrying value of Property, Plant and Equipment as at 31st March 2019 in the manner prescribed in IND AS 36. Based on the improved cash flows expected in the future and on the basis of market value certifications provided by the valuation expert, the recoverable amount of the group of assets at the said plant is determined to be greater than the carrying amount and therefore no provision for impairment is considered necessary at this stage.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.02 Intangible assets

Particulars	Software	Total
Gross carrying amount:		
Balannce as at 1 April 2017	**50,50,838**	**50,50,838**
Additions	33,65,810	33,65,810
Disposals	-	-
Balance as at 31 March 2018	**84,16,648**	**84,16,648**
Additions	2,36,000	2,36,000
Disposals	8,64,585	8,64,585
Balance as at 31 March 2019	**77,88,063**	**77,88,063**
Accumulated depreciation		
Balance as at 1 April 2017	14,63,177	14,63,177
Amortisation for the year	19,26,586	19,26,586
Disposals	-	-
Balance as at 31 March 2018	**33,89,763**	**33,89,763**
Amortisation for the year	20,69,708	20,69,708
Disposals	2,77,721	2,77,721
Balance as at 31 March 2019	**51,81,750**	**51,81,750**
Net carrying amount		
As at 1 April 2017	35,87,661	35,87,661
As at 31 March 2018	50,26,885	50,26,885
As at 31 March 2019	26,06,313	26,06,313

Note:

a. Contractual obligations

There are no contractual commitments for the acquisition of intangible assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.03. Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
At FVOCI, Quoted			
(a) 4,200 (4,200) Equity Shares of ` 1 each in State Bank of India, fully paid up	13,47,360	10,50,420	11,04,978
(b) 100 (100) Equity Shares of ` 10 each in Industrial Finance Corporation of India Limited, fully paid up	1,377	1,975	2,819
Aggregate amount of quoted investments	**13,48,737**	**10,52,395**	**11,07,797**
Valued at cost, Unquoted			
In Subsidiary Companies:			
(a) 3,500,000 (3,500,000) fully paid up Equity Shares of ` 10 each in Bamni Proteins Limited	3,50,00,437	3,50,00,437	3,50,00,437
At FVTPL, Unquoted			
(a) 60,000 (60,000) fully paid up Equity Shares of Rs. 10 each in Kerala Enviro Infrastructure Limited	6,00,000	6,00,000	6,00,000
(b) 300,000 (300,000) fully paid up Equity Shares of Rs. 10 each in Seafood Park (India) Limited	31,50,000	31,50,000	31,50,000
(c) 50,000 (50,000) fully paid up Equity Shares of Rs. 10 each in Cochin Waste 2 Energy Private Limited	5,00,000	5,00,000	5,00,000
Less: Provision for impairment of investments	(5,00,000)	(5,00,000)	(5,00,000)
(d) 414,000 (414,000) fully paid up equity shares of Rs. 10/- each in Narmada Clean Tech Limited #	41,40,000	41,40,000	41,40,000
Aggregate amount of unquoted investments	**4,28,90,437**	**4,28,90,437**	**4,28,90,437**
Total Investments	**4,42,39,174**	**4,39,42,832**	**4,39,42,832**

These investments are in the name of the transferor company which is currently pending for transfer in the name of the Company, Ref. Note 3.41.

3.04 Loans

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current			
(Unsecured, Considered Good)			
Loan to employees	17,33,741	5,82,247	4,08,242
	17,33,741	**5,82,247**	**4,08,242**
Current			
(Unsecured, Considered Good)			
Loan to employees	20,61,603	2,59,045	2,22,711
	20,61,603	**2,59,045**	**2,22,711**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.05 Other Financial Assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current			
(Unsecured, Considered Good)			
Security deposits	3,83,49,870	2,98,29,661	2,81,96,508
Balances with banks - Deposit accounts*	17,60,457	6,37,146	12,11,432
Earmarked balances with banks for unpaid dividend**	15,82,515	15,27,630	16,13,259
	4,16,92,842	**3,19,94,437**	**3,10,21,199**
Current			
(Unsecured, Considered Good)			
Advances recoverable in cash or in kind	81,60,845	74,90,639	75,56,059
Security deposits	3,22,346	4,11,189	7,39,325
Hedge asset	1,98,45,680	23,88,750	5,42,10,115
Interest receivable	10,87,088	10,34,247	9,45,256
Others	5,29,598	10,28,140	11,61,175
	2,99,45,557	**1,23,52,965**	**6,46,11,930**

* Balance with banks in Deposit accounts include deposits held as security against Letter of Credits/ Guarantee.

** Not due for deposit in the investor education and protection fund.

3.06 Other assets

Non-current			
(Unsecured, Considered Good)			
Capital advance	37,23,214	55,97,595	1,87,56,083
Prepaid lease rental (refer Note (a) below	7,59,12,622	7,68,22,122	7,77,12,541
Export incentive receivable [refer note (b) below]	3,56,08,002	2,49,46,508	2,08,47,083
VAT refund receivable	85,90,610	85,90,610	85,85,217
Deposit with Government authorities	83,26,956	17,48,334	17,48,334
(Unsecured, Considered Doubtful)			
Export incentive receivable [refer note (b)&(c) below]	1,77,76,195	1,77,76,195	1,77,76,195
Less: Provision for doubtful amounts	(1,77,76,195)	(1,77,76,195)	(1,77,76,195)
	13,21,61,404	**11,77,05,169**	**12,76,49,258**
Current			
(Unsecured, Considered Good)			
Advances to Suppliers and contractors	1,05,93,150	2,09,47,898	1,93,33,370
Prepaid expenses	1,54,97,121	1,12,73,646	95,14,285
Balances with statutory authorities	1,27,64,344	1,38,97,336	84,09,821
Export incentive receivable	2,07,68,640	2,23,30,382	2,68,20,514
Prepaid lease rental { refer Note (a) below }	9,09,500	8,90,419	8,90,419
	6,05,32,755	**6,93,39,681**	**6,49,68,409**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

(a) Includes 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 tarnsfer or 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 (The title deeds are in the name of the transferor company which is currently pending for tarnsfer in the name of the Company) and in respect of the balance area of 12,486.25 square metres (Net Book Value of Rs.71,83,430/-), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

Export incentives receivable includes:

(b) Claims amounting to Rs. 2,08,18,015 (31March 2018: Rs. 2,08,18,015) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to Rs. 41,51,031 (31 March 2018: Rs. 41,51,031) The Dy. Director General of Foreign Trade vide letter dt 03 October 2011 had informed the Company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The Company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. During the previous year, the Grievance Committee of the Directorate General of Foreign Trade have heard the Company's grievance application and remanded the matter back to the original adjudicating authorities for re-examining and for issuing necessary clarification based on the provisions of Foreign Trade Policy. Though the management is of the opinion that these claims are fully recoverable, provision has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of abundant caution. (c) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to Rs. 64,61,789 (31 March 2018: Rs. 64,61,789) which has been decided against the Company by the division bench of the Hon'ble High Court of Kerala. The Company has sought further appeal before Hon'ble Supreme Court and although the Company is hopeful of favourable order, provision has been created in respect of such disputed claims in the books of account as a matter of prudence.

3.07 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Raw materials	14,39,88,365	17,46,53,425	24,63,88,131
Raw materials in-transit	1,46,42,002	-	1,96,15,776
Work-in-progress	28,49,47,030	26,68,92,570	23,31,00,731
Finished goods	11,41,84,326	18,02,03,036	10,58,07,183
Stores and Spares	7,89,48,542	9,46,55,270	12,23,98,212
Others	74,51,755	71,39,068	71,70,892
	64,41,62,020	**72,35,43,369**	**73,44,80,925**

Method of Valuation of Inventories - Refer 2(m) of Significant Accounting Policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.08 Trade Receivables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	53,29,24,499	61,46,72,845	52,42,51,859
Trade receivables which have significant increase in credit risk			
Trade receivables - Credit Impaired	45,05,193	54,23,785	49,25,492
	53,74,29,692	**6200,96,630**	**5291,77,351**
Less: Allowances for expected credit loss	(45,05,193)	(54,23,785)	(49,25,492)
	53,29,24,499	**6146,72,845**	**5242,51,859**

3.09 Cash and Cash Equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Balance with banks			
- In Current accounts	3,77,41,092	3,01,19,490	3,50,78,344
- In Deposit Accounts *	20,49,739	-	-
Cash on hand	3,14,982	4,79,443	4,25,329
	4,01,05,813	**3,05,98,933**	**3,55,03,673**

3.10 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Balance with Banks			
- In Deposit accounts *	1,15,06,354	4,02,86,130	11,29,70,922
	1,15,06,354	**4,02,86,130**	**11,29,70,922**

* Balance with banks in Deposit accounts include Rs. 1,27,82,781 (31 March 2018: Rs. 1,07,77,873) with a maturity period of less than 12 months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit

3.11 Assets held for sale

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Fixed assets held for sale	-	1,22,71,364	1,22,71,364
Less: Provision for assets held for sale	-	(1,22,71,364)	-
	-	**-**	**1,22,71,364**

Assets held for sale represents cost of plant and machinery proposed to be sold by the Company for which provisions have been made in the previous year due to loss in value based on technical evaluation and non completion of disposal action as planned.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.12 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
(a) Authorised						
Equity share of ₹ 10 each	4,00,00,000	40, 00,00,000	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Optionally convertible non cumulative preference share of Rs. 170 each	9,29,412	15,80,00,040	9,29,412	15,80,00,040	9,29,412	15,80,00,040
Optionally convertible non cumulative preference share of Rs. 10 each	2,00,00,000	20,00,00,000	-	-	-	-
Redeemable preference share of Rs. 10 each	44,44,444	4,44,44,440	-	-	-	-
	6,53,73,856	**80,24,44,480**	**2,09,29,412**	**35,80,00,040**	**2,09,29,412**	**35,80,00,040**
(b) Issued, subscribed and fully paid-up						
Equity share of ₹ 10 each	90,79,160	9,07,91,600	90,79,160	9,07,91,600	90,79,160	9,07,91,600
	90,79,160	**9,07,91,600**	**90,79,160**	**9,07,91,600**	**90,79,160**	**9,07,91,600**

(a) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Equity share of ₹10 each						
Opening balance	90,79,160	9,07,91,600	90,79,160	9,07,91,600	90,79,160	9,07,91,600
Issue of shares during the year	-	-	-	-	-	-
Closing balance	**90,79,160**	**9,07,91,600**	**90,79,160**	**9,07,91,600**	**90,79,160**	**9,07,91,600**

(b) Terms/ Rights attached to equity share:

The Company has only one class of shares referred to as equity shares with a face value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

(c) Details of shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity share of ₹ 10 each						
Nitta Gelatin Inc. Japan	39,00,300	42.96	39,00,300	42.96	39,00,300	42.96
Kerala State Industrial Development Corporation Limited	28,62,220	31.52	28,62,220	31.52	28,62,220	31.52

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	-	5,79,160	5,79,160

3.13 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Securities Premium	28,95,90,000	28,95,90,000	28,95,90,000
Retained earnings	(13,06,39,364)	(7,69,10,103)	(7,70,68,691)
Special Export Reserve (under the Income Tax Act, 1961)	79,00,000	79,00,000	79,00,000
Other equity	9,84,42,747	9,84,42,747	9,84,42,747
General Reserve	78,36,64,400	78,36,64,400	78,36,64,400
Capital Reserve on Merger	27,50,61,957	27,50,61,957	27,50,61,957
Items of Other Comprehensive Income			
- Hedge Reserve	1,29,18,832	15,62,052	49,29,609
- Equity instruments through OCI	9,51,366	7,16,661	7,60,650
- Remeasurements of net defined benefits plans	(32,87,654)	(29,43,753)	8,24,909
	1,33,46,02,284	**1,37,70,83,961**	**1,38,41,05,581**

Description of nature and purpose of each reserve

a. Securities premium

The amount received in excess of face value of the equity shares was recognised in securities premium. The reserve is utilised in accordance with the provisions of the Act.

b. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Special export reserve

Special export reserve was created as per the provisions of Income Tax Act, 1961 for availing the tax benefits for exports.

d. Other equity

The difference between the fair value and cost of the financial instrument has been considered as additional contribution and shown as part of Other equity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

e. General reserve

General reserve was created form time to time by way of transfer of profits from retained earnings for appropriation purposes.

f. Capital reserve on merger

Capital reserve was created on merger of erstwhile Reva Proteins Limited with the Company. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

g. Items of Other Comprehensive Income

i) Hedge reserve: Effective portion of fair value gain/(loss) on all financial instrument designated in cash flow hedge relationship are accumulated in hedge reserve.

ii) Equity Instruments through OCI: The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the Equity Instruments through OCI. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognized.

iii) Remeasurements of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss

3.14 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non current			
(Secured)			
Term loans from banks:			
- Foreign currency loans	64,23,639	3,19,65,568	5,76,12,558
- Rupee Term loans	61,03,194	85,90,807	1,08,12,180
Term loans from others:	9,12,29,068	11,53,29,068	13,98,19,091
(Unsecured)			
Loan from related party:			
- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	12,85,20,380	12,67,82,374	12,15,39,820
Liability component of optionally convertible preference shares	13,07,03,248	12,58,84,964	12,00,19,047
Liability component of redeemable Preference shares pending allotment	3,39,75,050	3,39,75,050	3,39,75,050
	39,69,54,579	**44,25,27,831**	**48,37,77,746**
Amount disclosed under "Other current financial liabilities" (refer note 3.17)	(5,83,25,751)	(6,59,82,814)	(5,21,13,399)
	33,86,28,828	**37,65,45,017**	**43,16,64,347**
Current			
(Secured)			
From Banks:			
Cash credits/working capital demand loans	45,19,55,644	33,57,20,123	39,44,18,904
Bills discounting	16,07,18,608	25,75,16,474	24,25,27,831
	61,26,74,252	**59,32,36,597**	**63,69,46,735**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
(b) Non-current borrowings						
Term loans from banks (Secured)						
i.	State Bank of India	Exclusive charge over the Proiperty, Plant and Equipment created with the term loan assistance and collateral security by way of equitable mortgage of land owned by the Company on pari passu basis with other lenders and first charge over the other fixed assets of Company on pari passu basis.	Refer note 3.14.1	19,79,313	190,84,610	361,37,690
ii.	Canara Bank	Exclusive charge over the fixed assets created with the term loan assistance.	The principal amount is to be paid in 20 quarterly instalments of Rs. 22,50,000 starting from December 2014 as per the original terms. During the year 2015-16, the term loan had been converted into foreign currency loan, based on the same, the quarterly instalments had been reset to an amount in Foreign Currency of USD 33,122	44,44,326	128,80,958	214,74,868

The interest on above term loans from banks are linked to the LIBOR rates. The effective interest rates per annum ranges between LIBOR +3.25% to 3.75

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
iii.	HDFC Bank	Exclusive first charge over the Property, Plany and Equipment financed out of the term loan, second charge over the existing Property, Plany and Equipment of the Company.	The loan is repayable in 72 monthly installments (including interest), commencing from 07.06.2015 in the following manner: From, March 2016 to May 2016 - Rs. 1,16,667 From, June 2016 to April 2021 - Rs. 2,73,029 In May 2021 - Rs. 34,588	61,03,194	85,90,807	1,08,12,180
				125,26,833	**405,56,375**	**684,24,738**
Term loans from other (Secured)						
i.	Kerala State Industrial Development Corporation Ltd	Exclusive first charge over the Property, Plany and Equipment of the company including leasehold assets, both present and future.	The principal is repayable in 22 quarterly installments, commencing from 11.03.2017 in the following manner: From, March 2017 to March 2022 - Rs. 54,00,000 In June 2022 - Rs. 53,50,000	6,97,54,946	9,13,54,946	11,33,45,538
		Secured by way of simple mortgage by way of extension of exclusive first charge over the leasehold property held under lease deed no 1237 of 2010 dt 07.07.2010 , SRO Jhagadia.	The principal is repayable in 28 quarterly installments, commencing from 11.03.2017 in the following manner: From, March 2017 to Decembe 2019 - Rs 6,25,000, from December 2019 to December 2022 - Rs. 12,50,000 and from March 2023 to December 2023 Rs 18,75,000	2,14,74,122	2,39,74,122	2,64,73,553
				9,12,29,068	**11,53,29,068**	**13,98,19,091**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Term loans from Others (Unsecured)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
i.	ECB from Nitta Gelatin Inc (NGI)	ECBs are unsecured	(a) The principal amount of Rs 650 lakhs taken by the Company is to be paid in five annual instalments of Rs. 130 Lakhs on 24.03.2019, 24.03.2020, 24.03.2021, 24.03.2022 and 24.03.2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests. (b) The principal Amount of Rs 900 lakhs taken by the Company is to be paid in 15 Equal Instalments of Rs 60 lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	12,85,20,380	12,67,82,374	12,15,39,820
				12,85,20,380	**12,67,82,374**	**12,15,39,820**
The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +5.62 % to 7.54 %						
ii.	Optionally convertible preference shares	Exclusive first charge over the Property, Plany and Equipment of the company including leasehold assets, both present and future.	Refer note (3.14.2) below	13,07,03,248	12,58,84,964	12,00,19,047
(iii)	Redeemable Preference shares - pending for allotment	Secured by way of simple mortgage by way of extension of exclusive first charge over the leasehold property held under lease deed no 1237 of 2010 dt 07.07.2010, SRO Jhagadia.	Refer note (3.14.3) below	3,39,75,050	3,39,75,050	3,39,75,050
				16,46,78,298	**15,98,60,014**	**15,39,94,097**
			Total Borrowings	**39,69,54,579**	**44,25,27,831**	**48,37,77,746**

3.14.1 The principal amount of the loan is to be repaid on monthly installments in the following manner:

Particulars	Amount USD	Amount Rs.
From, February 2016 to March 2017	14,583	39,58,626
From, April 2017 to March 2019	21,874	14,34,934
In April 2019	28,426	19,79,313

3.14.1 The company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares (OCPS) with a face value of Rs. 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, a significant shareholder. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD LIBOR as on record date ie, 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on prorata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of Rs 10/- each within 18 months from the date of allotment (i.e 28.04.2015), in one or more financial years, at a price of Rs 170/- each (inclusive of a premium of Rs. 160/- per share). All outstanding Optionally Convertible Non- Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment.

3.14.3 Pursuant to the Merger as detailed in Note 3.41 , the company is required to issue 44,44,444 nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.14 Borrowings (Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
i.	Working Capital Loans in Foreign currency from Banks (including Bills discounting)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property, Plant and Equipment of the Company. The Interest rate is 1 % to 2 % over the the LIBOR rates	The loans are repayable on demand	48,54,88,538	59,14,63,759	61,39,47,205
ii	Cash Credit / Short term loans in Indian Rupee from Banks / Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the fixed assets of the Company. The Interest rate ranges 9% to 11.75%	The loans are repayable on demand	12,71,85,714	17,72,838	2,29,99,530
				61,26,74,252	59,32,36,597	63,69,46,735

3.15 Deferred Tax Liabilities (Net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Deferred Tax Liability arising on account of :			
Differences between book balance and tax balance of property, plant and equipments	14,02,46,491	14,29,99,144	10,82,93,000
Timing differences on assessment of income	95,01,625	72,14,758	74,72,000
Deferred Tax impact on fair value changes	1,62,81,606	1,53,99,712	38,77,00,78
Deferred Tax Assets arising on account of :			
Unabsorbed business losses	(12,05,38,786)	(10,97,98,862)	(16,44,15,800)
Provision for doubtful debts and others	(1,44,00,364)	(1,55,66,904)	(100,39,866)
Provision for employee benefits	(93,96,973)	(1,42,44,508)	(1,67,74,003)
Others	-	-	(31,97,000)
Deferred Tax Liabilities / (Assets) (Net)	**2,16,93,599**	**2,60,03,340**	**(3,98,91,591)**

3.16 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Dues to micro enterprises and small enterprises (refer note (a) below)	1,47,400	11,33,730	4,73,250
Dues to creditors other than micro enterprises and small enterprises			
- Related parties	2,52,02,835	2,48,97,895	1,90,74,150

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

- 'Others	18,70,45,709	24,18,46,969	21,30,89,555
	21,22,48,544	26,67,44,864	23,21,63,705
	21,23,95,944	**26,78,78,594**	**23,26,36,955**

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company. This has ben relied upon by the auditors

	Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	1,47,400	11,33,730	4,73,250
ii)	Interest due thereon remaining unpaid	Nil	Nil	Nil
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil	Nil
iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil	Nil
v)	Interest accrued and remaining unpaid	Nil	Nil	Nil
vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	Nil	Nil	Nil

3.17 Other financial liabilites

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Current			
Current maturities of long term borrowings	5,83,25,751	6,59,82,814	5,21,13,399
Interest accrued and due on borrowings	37,51,692	5,29,123	18,88,515
Interest accrued but not due on borrowings	3,72,011	3,58,914	3,51,929
Unpaid dividends	15,82,515	15,27,630	16,13,259
Creditors for capital goods	5,46,512	6,54,217	78,24,935
Employee related liabilities	2,68,41,412	2,49,39,545	2,15,66,369
Others	25,35,244	18,43,933	20,10,239
	9,39,55,137	**9,58,36,176**	**8,73,68,645**

3.18 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non Current			
Provision for employee benefits			
- Gratuity	11,40,297	8,87,962	6,20,284
- Compensated absence	1,88,41,852	2,82,15,156	2,34,71,185
	1,99,82,149	**2,91,03,118**	**2,40,91,469**
Current			
Provision for employee benefits	13,13,325	50,80,755	13,15,390
Others	2,22,86,874	2,33,87,368	2,33,87,368
	2,36,00,199	**2,84,68,123**	**2,47,02,758**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.19 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Current			
Statutory dues payable	66,17,468	77,61,013	78,38,666
Advance received from customers	9,02,94,602	5,37,25,713	1,31,05,317
	9,69,12,070	**6,14,86,726**	**2,09,43,983**

3.20 Revenue from operations

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from sale of goods		
Sale of products	2,51,46,59,214	3,37,35,96,453
Sale of traded goods	2,94,88,510	1,17,79,139
Other operating revenues		
Scrap sales	42,52,087	76,18,873
Export incentive	3,44,14,956	3,81,07,946
Provision / sundry balances written back	31,58,365	-
Other miscellaneous income	2,60,06,670	21,58,073
	6,78,32,078	**4,78,84,892**
	2,61,19,79,802	**3,43,32,60,484**

Revenue from sale of goods include excise duty of Rs. Nil (31 March 2018: 19,666,872).

3.20.1 Reconciliation of revenue from Sale of goods with the contracted price

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	2,55,04,30,154	3,39,44,47,656
Less : Trade discount, rebates etc	62,82,430	90,72,064
Net Revenue Recognized from contracts with customers	**2,54,41,47,724**	**3,38,53,75,592**

3.21 Other Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income	35,63,588	49,42,695
Dividend from quoted equity investments measured at fair value through OCI	42,372	10,920
Net gain on foreign currency transactions & translations	-	161,29,267
Net gain on cash flow hedges realised	-	2,34,50,854
Miscellaneous income	34,44,648	7,99,643
	70,50,608	**4,53,33,379**

3.22 Cost of materials consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening Stock	17,46,53,425	26,60,03,907
Add: Purchases	1,06,91,20,882	1,75,82,17,238
	1,24,37,74,307	**2,02,42,21,145**
Less: Closing Stock	15,86,30,367	17,46,53,425
	1,08,51,43,940	**1,84,95,67,720**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Closing Stock		
Finished Goods	11,41,84,326	18,02,03,036
Work-in-progress	28,49,47,030	26,68,92,570
	39,91,31,356	**44,70,95,606**
Less:		
Opening Stock		
Finished Goods	18,02,03,036	10,58,07,183
Work-in-progress	26,68,92,570	23,31,00,731
	44,70,95,606	**33,89,07,914**
	(4,79,64,250)	**10,81,87,692**

3.24 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	26,36,35,143	26,08,26,710
Contribution to provident and other funds (Refer Note 3.38)	3,02,33,125	2,66,39,164
Workmen and staff welfare expenses	4,38,21,587	4,25,97,800
	33,76,89,855	33,00,63,674
Less: Transfer to research and development expenditure (refer Note 3.26.1)	1,17,45,470	85,18,687
	32,59,44,385	**32,15,44,987**

3.25 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense	5,28,91,330	5,24,99,241
Other borrowing cost	2,60,49,323	79,71,750
	7,89,40,653	**6,04,70,991**

3.26 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Conversion charges	32,23,927	13,03,10,527
Consumption of stores, spares and consumables	9,00,68,643	7,09,56,076
Effluent Discharge Charges	1,94,26,572	1,57,87,204
Contract labour charges	1,88,74,922	1,94,44,696
Packing materials consumed	2,37,26,575	3,16,09,935
Research and development expenditure (refer note 3.26.1)	1,45,15,459	1,19,34,434
Power, fuel, water and gas	37,69,82,365	36,95,12,053
Repairs		
- Building	1,11,77,676	2,08,55,123
- Plant and machinery	8,99,22,208	9,31,80,106
- Others	3,91,59,475	4,34,08,719
Loading, transportation and other charges on products	6,74,59,398	8,62,42,580
Freight on exports	1,64,40,328	1,17,81,779
Insurance	74,13,424	79,49,092
Rent	54,86,180	59,40,805
Rates and taxes	69,62,590	4,19,98,796

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Postage and telephone	48,71,647	46,13,121
Printing and stationery	19,04,328	20,75,481
Travelling and conveyance	2,72,27,868	2,61,77,221
Director's sitting fee	11,30,400	12,11,327
Payments to the auditor (refer note 3.26.2)	26,22,715	18,44,149
Advertisement and publicity	29,92,656	25,32,835
Professional and consultancy charges	3,30,66,984	3,27,85,456
Bank charges	53,08,286	66,22,946
Expenses on corporate social responsibility activities (refer note 3.26.3)	53,04,618	43,50,000
Loss on assets sold/written off (Net)	20,91,218	25,16,374
Provision for assets held for sale	-	1,22,71,364
Net loss on cash flow hedges realised	1,34,90,642	
Net loss on foreign currency transactions and translations	1,84,63,833	-
Miscellaneous expenses	3,62,48,923	3,49,96,099
	94,55,63,860	**1,09,29,08,298**

3.26.1 Details of Research & Development Expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Revenue expenditure charged to the statement of profit and loss (Product development / Engineering expenses)		
Salary and allowances	1,17,45,470	85,18,687
Other expenses (Net of recoveries)	27,69,989	34,15,747
	1,45,15,459	**1,19,34,434**
(b) Capital expenditure in relation to tangible fixed assets for Research and development facilities	32,99,135	29,11,997

3.26.2 Payments to the auditor

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit fees	17,87,500	14,45,000
Taxation matters (including tax audit) #	2,85,000	1,77,500
Others	4,48,510	1,00,000
Reimbursement of expenses	1,01,705	1,21,649
	26,22,715	**18,44,149**

amount paid to the tax auditor other than statutory auditor

3.26.3 Details of expenses on Corporate Social Responsibility activities

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Gross amount required to be spent by the Company during the year	51,01,799	42,80,696
b. Amount spent during the year on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	53,04,618	43,50,000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.27 Earnings per share (EPS) (basic and diluted)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) (Loss) / Profit after tax attributable to equity shareholders	(2,63,65,741)	37,751,678
b) Weighted average number of shares outstanding	90,79,160	90,79,160
c) Nominal value of shares ( )	10	10
d) Basic earning per share ( )	(2.90)	4.16
e) Number of equity shares used to compute diluted earnings per share	90,79,160	90,79,160
f) Diluted earnings per share ( )	**(2.90)**	**4.16**

3.28 Assets pledged as security

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
Current		
First charge		
Financial assets		
Trade receivables	53,29,24,499	61,46,72,845
Cash and cash equivalents	4,01,05,813	3,05,98,933
Bank balances other than cash and cash equivalents	1,15,06,354	4,02,86,130
Other financial assets	2,99,45,557	1,23,52,965
Inventories	64,41,62,020	72,35,43,369
Other current assets	6,05,32,755	6,93,39,681
Total current assets pledged as securities	**1,31,91,76,998**	**1,49,07,93,923**
Non-current		
First charge		
Property, plant and equipment (PPE) and capital work in progress	1,21,36,93,808	1,19,39,15,802
Total non-current assets pledged as securities	**1,21,36,93,808**	**1,19,39,15,802**
Total assets pledged as security	**2,53,28,70,806**	**2,68,47,09,725**

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

A. Related parties and nature of relationship

i.	Nitta Gelatin Inc.	Enterprise having substantial interest in the Company
ii.	Nitta Gelatin NA Inc.	Subsidiary of Nitta Gelatin Inc
iii.	Nitta Gelatin Canada Inc.	Subsidiary of Nitta Gelatin Inc
iv.	Bamni Proteins Ltd	Subsidiary Company
v.	K T Chandy Seiichi Nitta Foundation	Trust controlled by the Company
vi.	Key Managerial Personnel	
	Mr Sajiv K. Menon	Managing Director
	Dr Shinya Takahashi	Whole Time Director
	Non Executive Directors	
	Dr. K. Ellangovan	
	Mr. Paul Antony	
	Dr. M Beena	
	Mr. Sanjay M. Kaul	
	Mr. M.T. Binil Kumar	

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

B. Detail of Transactions:

Nature of Transaction	Subsidiary Company/ Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Key Management Personnel		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Sale and Income								
1 Sale of Goods								
Nitta Gelatin Inc	-	-	54,09,87,384	18,65,09,905	-	-	54,09,87,384	1,18,65,09,905
Nitta Gelatin NA Inc	-	-	46,84,20,790	37,29,00,553	-	-	46,84,20,790	37,29,00,553
2 Sale of Raw materials, packing materials and spares								
Bamni Proteins Ltd	3,00,85,510	1,86,425	-	-	-	-	3,00,85,510	1,86,425
3 Expenses recovered								
Bamni Proteins Ltd	-	7,76,055	-	-	-	-	-	7,76,055
4 GSP duty refund received on exports to related party refunded by them								
Nitta Gelatin NA Inc	-	-	1,05,74,209	18,87,568	-	-	1,05,74,209	18,87,568
5 Guarantee commission recovered								
Bamni Proteins Ltd	10,29,041	-	-	-	-	-	10,29,041	-
6 Support fee for service rendered recovered								
Bamni Proteins Ltd	79,33,333	-	-	-	-	-	79,33,333	-
7 Reimbursement of expenses								
Bamni Proteins Ltd	18,98,388	7,76,055					18,98,388	7,76,055
Purchase and Expenses								
1 Purchase of Goods:								
Bamni Proteins Ltd	10,96,65,646	-	-	-	-	-	10,96,65,646	-
2 Commission expense:								
Nitta Gelatin Inc								
- For Sale of Gelatin	-	-	8,40,641	5,25,527	-	-	8,40,641	5,25,527
- For Sale of Peptide	-	-	99,470	2,54,125	-	-	99,470	2,54,125
3 Rent paid -								
Bamni Proteins Ltd	1,20,000	1,20,000	-	-	-	-	1,20,000	1,20,000
4 Conversion charges:								
Bamni Proteins Ltd	33,12,709	13,03,10,528	-	-	-	-	33,12,709	13,03,10,528
5 Rebate/ Discount expense:								
Nitta Gelatin Inc	-	-	9,53,327	45,94,988	-	-	9,53,327	45,94,988
Nitta Gelatin NA Inc	-	-	63,189	4,01,939	-	-	63,189	4,01,939
6 Technical Assistance Fee:								
Nitta Gelatin Inc	-	-	41,03,895	31,70,200	-	-	41,03,895	31,70,200
7 Interest expense on External Commercial Borrowings								
Nitta Gelatin Inc	-	-	116,94,634	1,01,60,278	-	-	1,16,94,634	1,01,60,278
8 Reimbursement of Expenses (Net):								
Nitta Gelatin Inc	-	-	9,29,253	3,38,761	-	-	9,29,253	3,38,761
Bamni proteins Ltd	21,02,328	22,31,619	-	-	-	-	21,02,328	22,31,619
9 Donations/Corporate Social Responsibility contribution								
K.T.Chandy Seiichi Nitta Foundation	44,26,431	44,28,758	-	-	-	-	44,26,431	44,28,758
10 Remuneration (refer note below)								
Mr Sajiv K. Menon	-	-	-	-	1,54,74,636	1,49,77,536	1,54,74,636	1,49,77,536
Dr Shinya Takahashi	-	-	-	-	24,41,627	23,35,825	24,41,627	23,35,825

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

11 Sitting Fees								
Dr. K. Ellangovan					36,000	-	36,000	-
Mr. Paul Antony					-	54,000	-	54,000
Dr. M Beena					36,000	36,000	36,000	36,000
Mr. Sanjay M. Kaul					18,000	-	18,000	-
Mr. M.T. Binil Kumar					40,000	30,000	40,000	30,000
Guarantees given - Amount outstanding								
Bamni Proteins Ltd	6,98,70,620	-	-	-	-	-	6,98,70,620	-
Dividend paid on equity shares								
Nitta Gelatin Inc	-	-	97,50,750	97,50,750	-		97,50,750	97,50,750
Dividend on preference shares								
Nitta Gelatin Inc	-	-	85,36,584	85,36,584	-	-	85,36,584	85,36,584

Note :

a) Does not include gratuity and compensated absences as these are provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be determined.

b) During the current year, the managerial remuneration paid by the Company to its Directors is in excess of the limits laid down under section 197 of the Companies Act, 2013 read with Schedule V of the Act by Rs. 59,16,263. The Company is in the process of obtaining approval from its shareholders as per the provisions of the Act at the ensuing annual general meeting.

C. Balance outstanding as at year end:

Nature of Transaction		Subsidiary Company/ Trust controlled by theCompany			Enterprise having substantial interest in the Company and its Subsidiaries			Total		
		31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
Investments										
1	Bamni Proteins Ltd	3,50,00,437	3,50,00,437	350,00,437	-	-	-	3,50,00,437	3,50,00,437	3,50,00,437
Receivables										
1	*Nitta Gelatin Inc*	-	-	-	14,39,44,764	23,81,60,613	15,18,81,926	14,39,44,764	23,81,60,613	15,18,81,926
2	*Nitta Gelatin NA Inc*	-	-	-	15,14,98,790	12,94,85,555	13,03,25,559	15,14,98,790	12,94,85,555	13,03,25,559
Payables										
1	Bamni Proteins Ltd	2,52,02,834	2,48,97,895	1,90,74,150	-	-	-	2,52,02,834	2,48,97,895	1,90,74,150
2	Nitta Gelatin Inc									
	-Term loan	-	-	-	1,285,20,380	12,67,82,374	12,15,39,820	12,85,20,380	12,67,82,374	12,15,39,820
	-Trade Advance	-	-	-	8,95,88,081	4,93,62,233	1,14,03,408	8,95,88,081	4,93,62,233	1,14,03,408
	-Other payables	-	-	-	76,30,903	46,63,318	84,39,297	76,30,903	46,63,318	84,39,297
3	Nitta Gelatin NA Inc									
	-Other payables	-	-	-	9,55,113	25,82,500	4,57,034	9,55,113	25,82,500	4,57,034

d. Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried out at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2019. In opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.30. Segment Information

The Company is engaged in the manufacture and sale of products which form part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity-wide disclosure as required by Ind AS 108 "Operating Segment are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Sales of products	2,51,46,59,214	3,37,35,96,453
Sales of traded goods	2,94,88,510	1,17,79,139
	2,54,41,47,724	**3,38,53,75,592**

(ii) Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues:

Particulars	**Year ended 31st March 2019**	**Year ended 31st March 2018**
India	1,38,25,30,552	1,74,27,36,369
Outside India	1,16,16,17,172	1,64,26,39,223
	2,54,41,47,724	**3,38,53,75,592**

(iii) Non-current assets (other than financial instruments, non current tax and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
India	1,34,84,61,525	1,31,66,47,856
Outside India	-	-
	1,34,84,61,525	**1,31,66,47,856**

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Revenue from top customer	54,09,87,384	1,18,65,09,905
Revenue from customers contributing 10% or more to the Company's revenues from product sale	1,47,83,87,274	2,21,44,37,958

3.31 Provisions and Contingent liabilities

3.31.1 Provisions

Nature of Provision	**As at 31 March 2018**	**Additional Provision during the year**	**Amounts used/ changed during the year**	**Unused amounts reversed**	**As at 31 March 2019**
Provision for Central Excise Duty. (refer Note3.31.1 (i))	1,32,29,289	-	-	-	1,32,29,289
	(1,32,29,289)	-	-	-	(1,32,29,289)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Provision for Central Sales Tax (refer Note 3.31.1 (ii))	28,74,385	-	-	-	28,74,385
	(28,74,385)	-	-	-	(28,74,385)
Provision for Entry Tax (refer Note 3.31.1 (iii)	11,00,494	-	11,00,494	-	-
	(11,00,494)	-	-	-	(11,00,494)
Provision for Water Cess (refer Note 3.31.2 (iv))	61,83,200	-	-	-	61,83,200
	(61,83,200)	-	-	-	(61,83,200)

3.31.1(i) Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the Company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to Rs.3,50,74,543 (31 March 2018: Rs. 3,50,74,543) which has been disputed by the Company. Though no demand has been raised by the department, based on legal advice received, the Company has created a provision of Rs. 1,32,29,289 (31 March 2018: 13,229,289) as a matter of prudenvce and the balance amount of 2,18,45,254 (31 March 2018: Rs. 2,18,45,254) has been disclosed as a contingent liability.

3.31.1 (ii) The Central Sales Tax authorities had raised demand on assessment for an earlier year amounting to Rs. 28,74,385 (31 March 2018: Rs. 28,74,385) which has been disputed in appeal. Though the management is of the opinion that these demands are not fully sustainable, provision has been created in the accounts for the aforesaid amount as a matter of produnce.

3.31.1(iii). The Sales Tax authorities had raised demand for entry tax on furnace oil for an amount of Rs.22,00,998 in an earlier year and was under appeal. Against the demand an amount of Rs 11,00,494 was deposited under protest and later a provision of equivalent amount was created for the doubtful deposit. The Hon'ble Supreme Court has held that levy of entry tax on furnace oil is valid constitutionally and the Company has settled the balance amount of Rs. 11,00,494 during the year.

3.31.2 Contingent Liabilities not provided for:

Particular	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
1. Claims against the Company not acknowledged as debts:			
a. Income tax (refer Note 3.31.2(i))	1,34,96,340	3,27,42,852	277,98,822
b. Sales tax (refer Note 3.31.2(ii))	7,83,94,296	52,98,761	3,48,88,363
c. Excise duty and service tax (refer Note 3.31.1(i) and 3.31.2.(iii))	2,99,46,401	2,96,08,151	2,92,69,900
d. Water cess (refer Note 3.31.2(iv))	6,53,01,200	6,53,01,200	6,53,01,200
e. Customs duty (refer Note 3.31.3)	19,68,35,881	19,68,35,881	-
2. Counter guarantee issued in favour of bankers	59,61,540	1,74,64,808	1,08,40,610
3. Counter guarantee issued in favour of Subsidiary Company			
a. Bamni Proteins Limited. - Amount outstanding	6,98,70,620	-	-
Amount of Guarantee - 7,50,00,000 (31 March 2018: Nil)			
	45,98,06,278	**34,72,51,653**	**16,80,98,895**

3.31.2(i) The Income tax authorities has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

The Company has received tax orders from the Income tax authorities reducinbrought forward losses (including unabsorbed depreciation) amounting to Rs. 82,35,581 (31 March 2018: 82,35,581),

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

primarily on denial of certain expenditure upon completion of tax assessment for the assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. Further, the Company has received tax orders from the transfer pricing authorities reducing brought forward losses (including unabsorbed depreciation) amounting to Rs. 5,12,06,777 (31 March 2018: Rs. 5,12,06,777), primarily on transfer pricing adjustments upon completion of tax assessment for assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities. The Company is contesting these litigations and the management believes that its position will be likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently no provision has been created in the financial statements for the above.

3.31.2(ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to Rs. 7,83,94,296 (31 March 2018: Rs.52,98,761) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Company on appeal. Based on legal advice, no provision is considered necessary towards the said demands.

3.31.2(iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the Company and towards cenvat credits availed aggregating to Rs. 12,93,274 (31 March 2018: Rs. 12,93,274) which have been disputed by the Company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed aggregating to 6,807,873 (31 March 2018: Rs. 64,69,623), which have been represented before adjudicating authorities. In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

3.31.2(iv) During an earlier year, an amount of Rs. 7,14,84,400 was demanded as water cess for extraction of river water for industrial use during the period from 01 April 1979 to 31 December 2010, in accordance with a Government Order issued on 25 July 2009. The Company had been legally advised that the demands may not be fully sustainable in law and had filed a writ petition before the Hon'ble High Court of Kerala against the proceedings, which is pending.

The Company had also made a representation to the Secretary (Water resources), Government of Kerala which is pending consideration of the Government. Pursuant to discussions with Government authorities, the Company had entered into an agreement for payment of such charges for the periods subsequent to 01 January 2011. Further, a provision of Rs. 61,83,200 towards disputed charges for the period from 25 July 2009 to 31 December 2010, being periods subsequent to issue of the Government order, was made in the accounts in an earlier year as a matter of prudence.

In the opinion of the management, based on independent legal advice, no provision is considered necessary for charges for periods from 01 April 1979 to 24 July 2009 amounting to Rs. 6,53,01,200, being periods prior to the issue of the Government order.

3.31.3 The customs authorities have issued show cause notice-cum-demand proposing classify/ reassess import of a certain item of raw materials, which has been objected by the Company. During the previous year, the Commissioner of Customs had issued an order confirming demand of Rs. 8,77,14,969 along with a penalty of Rs. 10,91,20,912. The Company has filed appeal before the appellate authorities which is pending for disposal at this stage. As per the independent legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the appellate proceedings are pending for adjudication and hence no provision is considered necessary at this stage.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.32 Estimated amount of contracts remaining to be executed on capital account - Rs.1,46,65,259 (31 March 2018: Rs.97,80,290)

3.33 a. In respect of Capital Goods imported at concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately Rs. 18,00,000 (31 March 2018: Rs.17,00,000) which is required to be fulfilled at different dates until 2020. In the event of non fulfillment of the export obligation, the Company will be liable for the Customs duties and penalties as applicable.

b. In respect of Raw materials imported at concessional rate of duty under the Advance Authorisation Scheme, the Company has an export obligation of approximately Rs.6,66,20,000 (31 March 2018: Rs.6,27,70,000) which is required to be fulfilled at different dates until 2016. In the event of non fulfillment of the export obligation, the Company will be liable for the Customs duties and penalties as applicable. The DGFT is not considering the company's application for the extension of time for the fulfilment of export obligation, due to dispute on classification of the imported raw material as mentioned in note 3.31.3 above. Since the Company's dispute on classification / reassessment of the raw material is pending for adjudication before the appellate tribunal and based on legal advice received, the company is hopeful of getting a favourable order. Hence no provision is considered necessary at this stage.

3.34 In the opinion of the management, Current financial assets and Other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

3.35 Disclosure with respect to operating leases

The lease expenses for cancellable operating leases during the year ended 31 March 2019 is 5,486,180 (31 March 2018: 5,940,805)

The Company's significant leasing arrangements in respect of operating leases for office premises, which includes cancellable leases generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under note 3.26 to the financial statements.

3.36 Capital management

For the purpose of Companie's Capital Management, captial Includes Issued capital, additional paid up capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's captial management is to maximise the share holders value.

In order to achive this over all objective, the Company's capital management, amongst other things, aims to ensure that it meets finanical covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest - bearing loans and borrowings in the current period.

The Company manages its capital structure and makes adjustments in light of changes in ecnomic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to share holders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes with in net debt, interest bearing loans and borrowings, trade payables, less cash and bank balances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Long term borrowings	33,86,28,828	37,65,45,017	43,16,64,347
Current maturities of long term borrowings	5,83,25,751	6,59,82,814	5,21,13,399
Short term borrowings	61,26,74,252	59,32,36,597	63,69,46,735
Trade payables	21,23,95,944	26,78,78,594	23,26,36,955
Less: Cash and cash equivalents	(4,01,05,813)	(3,05,98,933)	(3,55,03,673)
Less: Bank balances other than cash and cash equivalents	(1,15,06,354)	(4,02,86,130)	(11,29,70,922)
Net debt	**1,17,04,12,608**	**1,23,27,57,959**	**1,20,48,86,841**
Equity	9,07,91,600	9,07,91,600	9,07,91,600
Other Equity	1,33,46,02,284	1,37,70,83,961	1,38,41,05,581
Capital and net debt	**25,95,80,64,92**	**2,70,06,33,520**	**2,67,97,84,022**
Gearing ratio	**45%**	**46%**	**45%**

3.37 Income Tax

The major components of income tax expense are:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax:		
Current income tax charge	-	2,78,00,000
Minimum Alternate tax	-	(2,78,00,000)
Relating to the origination and reversal of temporary differences	(1,02,86,805)	6,96,16,027
Income tax expense reported in Statement of Profit and Loss	**(1,02,86,805)**	**6,96,16,027**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(1,84,723)	(19,27,441)
Income tax relating to measurement of financial assets through OCI	61,637	(11,413)
Income tax relating to gain on cash flow hedges	61,00,150	(17,82,243)
	59,77,064	**(37,21,097)**

Reconciliation of deferred tax (net)	As at 31 March 2019	As at 31 March 2018
Opening balance	2,60,03,340	(3,98,91,591)
Tax credit/ (expense) during the year recognized in statement of profit and loss	(1,02,86,805)	6,96,16,027
Tax credit/ (expense) during the year recognised in OCI	59,77,064	(37,21,097)
Closing balance	**2,16,93,599**	**2,60,03,340**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before tax and exceptional item	(3,66,52,546)	10,73,67,705
Tax on accounting profit at statutory income tax rate of 33.384% (previous year 34.608%)	(1,22,36,086)	3,71,57,815
Tax effects of :		
Non deductible expenses	24,92,162	17,55,489
Tax incentives and exempt income	(39,76,639)	(33,69,276)
Tax effect of change in tax rates	643,504	-
Assets taken over pursuant to mergor	-	3,47,06,144
Others	27,90,254	(6,34,145)
Tax expense recognized in the statement of profit and loss	**(1,02,86,805)**	**6,96,16,027**

3.38 A. Defined benefit plan

The Company has gratuity fund for its employees. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As ast 31 March 2019 and 31 March 2018 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's Financial Statements:

	Particulars	31 March 2019	31 March 2018
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	7,08,75,102	6,46,36,800
	Fair value of plan assets as at the end of the year	(7,15,35,932)	(6,02,81,335)
	Net liability/ (assets) recognized in the Balance Sheet	**(6,60,830)**	**43,55,465**
	Current	(6,60,830)	43,55,465
	Non-current	-	-
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	6,46,36,800	5,36,48,942
	Current service cost	47,14,189	43,31,615
	Interest cost	51,26,791	41,86,105
	Actuarial losses/(gains) arising from		
	- change in demographic assumptions	-	-
	- change in financial assumptions	5,28,624	56,96,103
	- experience variance (i.e. actual experiences assumptions)	-	-
	Benefits paid	(41,31,302)	(32,25,965)
	Defined benefit obligation as at the end of the year	**7,08,75,102**	**6,46,36,800**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	6,02,81,335	5,40,61,719
	Expected return on plan assets	48,22,506	43,24,937
	Actual return on plan assets over expected interest	(48,22,506)	(43,24,937)
	Contributions	1,53,85,899	93,48,698
	Benefits paid	(41,31,302)	(31,29,082)
	Fair value as at the end of the year	**7,15,35,932**	**6,02,81,335**
	Assumptions used in the above valuations are as under:		
	Discount rate	7.50%	7.50%
	Expected rate of increase in compensation level	5.00%	5.00%
	Expected rate of return on plan assets	8.00%	8.00%
	Superannuation age	58	58
	Mortality	Indian Assured Lives Mortality [1994-96] Ultimate	
4	**Net gratuity cost for the year ended 31 March 2019 and 31 March 2018 comprises of following components:**		
	Current service cost	47,14,189	43,31,615
	Net interest cost on the net defined benefit liability	51,26,791	41,86,105
	Components of defined benefit costs recognized in Statement of Profit and Loss	**98,40,980**	**85,17,720**
5	**Other Comprehensive Income**		
	Change in financial assumptions	(5,28,624)	(56,96,103)
	Experience variance (i.e. actual experience vs assumptions)	-	-
	Change in demographic assumptions	-	-
	Components of defined benefit costs recognized in other comprehensive income	**(5,28,624)**	**(56,96,103)**
6	**Experience adjustments**		
	Defined benefit obligation as at the end of the year	7,08,75,102	6,46,36,800
	Plan assets	7,15,35,932	6,02,81,335
	Surplus/(deficit)	(6,60,830)	43,55,465
	Experience adjustments on plan liabilities	-	-
	Experience adjustments on plan assets	**(48,22,506)**	**(43,24,937)**

3.38 B. Defined contribution plan

The Company provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2,42,77,781 (31 March 2018: Rs. 2,06,03,284) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

(All amounts in ₹, unless otherwise stated)

C. Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of 2,000,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Gratuity

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	6,41,50,957	7,88,05,983	5,82,63,149	7,21,63,540
Salary Growth Rate (- / + 1%)	7,81,83,530	6,45,57,706	7,15,96,670	5,86,24,361
Attrition rate (- / + 1%)	7,10,67,174	7,07,32,651	6,43,37,777	6,44,47,948

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.38 D. Long Term Employee Benefits

Compensated absences (Vesting and Non Vesting): Unfunded Obligation

The following tables set out the status of Compensated absences (Vesting and Non Vesting) and the amount recognized in Company's financial statements :

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	3,19,56,304	2,98,28,408
	Fair value of plan assets as at the end of the year	(1,00,00,000)	-
	Net liability recognized in the Balance Sheet	**2,19,56,304**	**2,98,28,408**
2	**Changes in the present value obligation**		
	Present value of obligation at the beginning of the year	2,98,28,408	2,47,86,575
	Service cost	1,15,29,496	1,10,27,375
	Interest cost	26,69,486	22,72,519
	Actuarial losses/(gains) arising from	(62,34,701)	(31,04,566)
	Benefits paid	(58,36,385)	(51,53,495)
	Defined benefit obligation as at the end of the year	**3,19,56,304**	**2,98,28,408**
	Assumptions used in the above valuations are as under:		
	Discount rate	7.50%	7.50%
	Salary increase	5.00%	5.00%
	Mortality	Indian Assured Lives Mortality[1994-96] Ultimate	

Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of obligation at the end of the year	3,19,56,304	2,98,28,408	2,42,77,410	2,57,00,091	2,28,22,389
Fair value of plan assets at the end of the year	(1,00,00,000)	-	-	-	-
Net present value of funded obligation recognized as (asset)/ liability in the Balance Sheet	219,56,304	298,28,408	242,77,410	257,00,091	228,22,389

Expenses recognized in the Statement of Profit and Loss	Year ended 31 March 2019	Year ended 31 March 2018
Current Service Cost	1,15,29,496	1,10,27,375
Interest Cost	26,69,486	22,72,519
Actuarial (gain)/ loss recognized in the period	(62,34,701)	(31,04,566)
Past Service Cost	-	-
Total expenses recognized in the Statement of Profit and Loss for the year	**79,64,281**	**1,01,95,328**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3.39 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	3.03	3,50,00,437	-	92,38,737
Cash and cash equivalents	3.09	4,01,05,813	-	-
Bank balances other than cash and cash equivalents	3.10	1,15,06,354	-	-
Trade receivable	3.08	53,29,24,499	-	-
Loans	3.04	37,95,344	-	-
Other financial assets	3.05			-
Security Deposits		3,86,72,216	-	-
Balances with Bank - Deposit Accounts		17,60,457	-	-
Earmarked balances with banks for unpaid dividend		15,82,515	-	-
Advances recoverable in cash or in kind		81,60,845	-	-
Hedge asset		-	198,45,680	-
Interest receivable		10,87,088	-	-
Others		5,29,598	-	-
Total		**6751,25,166**	**198,45,680**	**92,38,737**

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Liabilities:				
Borrowings	3.14	95,13,03,080	-	-
Trade payable	3.16	21,23,95,944	-	-
Other financial liabilities	3.17			
Current maturities of long term borrowings		5,83,25,751	-	-
Unpaid Dividend		15,82,515	-	-
Interest accrued and due on borrowings		37,51,692	-	-
Interest accrued but not due on borrowings		3,72,011	-	-
Creditors for capital goods		5,46,512	-	-
Employee Related Liabilities		2,68,41,412		
Others		25,35,244	-	-
Total		**12576,54,161**	**-**	**-**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
Assets:				
Investments	3.03	3,50,00,437	-	8942395
Cash and cash equivalents	3.09	3,05,98,933	-	-
Bank balances other than cash and cash equivalents	3.10	4,02,86,130	-	-
Trade receivable	3.08	61,46,72,845	-	-
Loans	3.04	8,41,292	-	-
Other financial assets	3.05			
Security Deposits		3,02,40,850	-	-
Balances with Bank - Deposit Accounts		6,37,146	-	-
Earmarked balances with banks for unpaid dividend		15,27,630	-	-
Advances recoverable in cash or in kind		74,90,639	-	-
Hedge asset		-	2388750	-
Interest receivable		10,34,247	-	-
Others		10,28,140	-	-
Total		**76,33,58,289**	**23,88,750**	**89,42,395**
Liabilities:				
Borrowings	3.14	96,97,81,614	-	-
Trade payable	3.16	26,78,78,594	-	-
Other financial liabilities	3.17			
Current maturities of long term borrowings		6,59,82,814	-	-
Unpaid dividend		15,27,630	-	-
Interest accrued and due on borrowings		5,29,123	-	-
Interest accrued but not due on borrowings		3,58,914	-	-
Creditors for capital goods		6,54,217	-	-
Other payables		2,49,39,545		
Others		18,43,933	-	-
Total		**13334,96,384**		

The carrying value and fair value of financial instruments by categories as of 01 April 2017 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	3,50,00,437	-	89,97,797
Cash and cash equivalents	3.09	3,55,03,673	-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Bank balances other than cash and cash equivalents	3.10	1,129,70,922	-	-
Trade receivable	3.08	52,42,51,859	-	-
Loans	3.04	6,30,953	-	-
Other financial assets	3.05			
Security deposits		2,89,35,833	-	-
Balances with Bank - Deposit Accounts		12,11,432	-	-
Earmarked balances with banks for unpaid dividend		16,13,259	-	-
Advances recoverable in cash or in kind		75,56,059	-	-
Hedge asset		-	542,10,115	-
Interest receivable		9,45,256	-	-
Others		11,61,175	-	-
Total		**74,97,80,858**	**5,42,10,115**	**89,97,797**
Liabilities:				
Borrowings	3.14	1,06,86,11,082	-	-
Trade payable	3.16	23,26,36,955	-	-
Other financial liabilities	3.17			
Current maturities of long term borrowings		5,21,13,399	-	-
Unpaid dividend		16,13,259	-	-
Interest accrued and due on borrowings		18,88,515	-	-
Interest accrued but not due on borrowings		3,51,929	-	-
Creditors for capital goods		78,24,935	-	-
Other payables		2,15,66,369	-	-
Others		20,10,239	-	-
Total		**1,38,86,16,682**	**-**	**-**

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

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	13,48,737	-	78,90,000	92,38,737
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	198,45,680	-	198,45,680

As at 31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	10,52,395	-	78,90,000	89,42,395
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	23,88,750	-	23,88,750

As at 01 April 2017	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	11,07,797	-	78,90,000	89,97,797
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	542,10,115	-	542,10,115

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by banks for revaluation of balance in forward contracts as on the reporting dates.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.

- The fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.

- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

3.40 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 uses derivative financial instruments

(All amounts in ₹, unless otherwise stated)

to mitigate foreign exchange related risk exposures. 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 Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

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 Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade receivable	53,29,24,499	61,46,72,845	52,42,51,859
Loans to employees	37,95,344	8,41,292	6,30,953
Security deposit	3,86,72,216	3,02,40,850	2,89,35,833
Balances with Bank - Deposit Accounts	17,60,457	6,37,146	12,11,432
Earmarked balances with banks for unpaid dividend	15,82,515	15,27,630	16,13,259
Advances recoverable in cash or in kind	81,60,845	74,90,639	75,56,059
Interest receivable	10,87,088	10,34,247	9,45,256
Hedge asset	1,98,45,680	23,88,750	5,42,10,115
Investments	4,42,39,174	4,39,42,832	4,39,98,234
Cash and cash equivalents	4,01,05,813	3,05,98,933	3,55,03,673
Other bank balances	1,15,06,354	4,02,86,130	11,29,70,922
Others	5,29,598	10,28,140	11,61,175
	70,42,09,583	**77,46,89,434**	**81,29,88,770**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, USA, Japan and Europe. 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. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances. At the reporting date, trade receivable balance from three customer represented 66% (2018 - 73%) of the total trade receivable balances, respectively. 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 and Company's historical experience for customers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Movement in the allowances for expected credit loss

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning	54,23,785	49,25,492	46,31,352
Impairment loss recognised	-	4,98,293	2,94,140
Impairment loss reversed	(9,18,592)	-	-
Balance at the end	**45,05,193**	**54,23,785**	**49,25,492**

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counter parties are reputable banks with high quality external credit ratings

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	61,26,74,252	30,46,53,778	3,39,75,050	95,13,03,080
Trade payable	21,23,95,944	-	-	21,23,95,944
Other financial liabilities	9,39,55,137	-	-	9,39,55,137
Total	**91,90,25,333**	**30,46,53,778**	**3,39,75,050.00**	**1,25,76,54,161**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	59,32,36,597	34,25,69,967	3,39,75,050	96,97,81,614
Trade payable	26,78,78,594	-	-	26,78,78,594
Other financial liabilities	9,58,36,176	-	-	9,58,36,176
Total	**95,69,51,367**	**34,25,69,967**	**3,39,75,050**	**1,33,34,96,384**

As at 1 April 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	63,69,46,735	15,61,30,430	27,55,33,917	1,06,86,11,082
Trade payable	23,26,36,955	-	-	23,26,36,955
Other financial liabilities	8,73,68,645	-	-	873,68,645
Total	**95,69,52,335**	**15,61,30,430**	**27,55,33,917**	**138,86,16,682**

(C) Market risk

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

(C1) Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD, JPY and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. 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 these currencies.

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 2019		As at 31 March 2018		As at 1 April 2017	
Included In	Currency	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Financial assets							
Trade receivables	USD	42,98,575	29,54,43,554	20,17,414	13,05,26,648	8,09,864	5,21,55,267
	EURO	-	-	6,600	5,24,172	1,73,000	1,18,38,390
Financial liabilities							
Trade payables	USD	74,051	51,56,171	1,29,508	84,95,695	1,76,660	1,15,35,903
	EURO	-	-	6,094	4,94,703	6,050	4,23,681
	Japanese YEN	13,95,738	8,83,502	22,12,707	13,67,453	27,41,730	16,20,467
Non current borrowings	USD	92,254	64,23,639	4,87,280	3,19,65,568	8,82,275	5,76,12,558
Current borrowings	USD	69,72,404	48,54,88,538	90,29,848	59,14,63,759	94,08,258	61,39,47,205

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Conversion rates	Financial Assets		Financial Liabilities		
	USD	EUR	USD	EUR	JPY
As at 31 March 2019	68.73	76.63	69.63	78.68	0.63
As at 31 March 2018	64.70	79.42	65.60	81.18	0.62
As at 1 April 2017	64.40	68.43	65.30	70.03	0.59

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the against the relevant foreign currencies. 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 rupee strengthens 1% against the relevant currency. For a 1% weakening of rupee against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

	Increase	Decrease	Increase	Decrease
Particulars	**31 March 2019**	**31 March 2019**	**31 March 2018**	**31 March 2018**
Sensitivity				
INR/USD	(19,52,024)	19,52,024	(49,36,107)	49,36,107
INR/EURO	-	-	402	(402)
INR/YEN	(8,793)	8,793	(13,719)	(13,719)

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2019	31 March 2018	I April 2017
Forward Contracts			
In USD	1,08,20,000	39,00,000	1,20,00,000

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	31 March 2019	31 March 2018	1 April 2017
Not later than one month	10,00,000	12,00,000	12,00,000
Later than one month and not later than three months	20,00,000	12,00,000	36,00,000
Later than three months and not later than a year	78,20,000	15,00,000	72,00,000

(All amounts in ₹, unless otherwise stated)

(C2) Interest rate risk

(i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments 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 2019	As at 31 March 2018	As at 1 April 2017
Variable rate borrowing	39,69,54,579	44,25,27,831	48,37,77,746
Fixed rate borrowing	-	-	-
Total borrowings	39,69,54,579	44,25,27,831	48,37,77,746
Amount disclosed under other current financial liabilities	5,83,25,751	6,59,82,814	5,21,13,399
Amount disclosed under borrowings	33,86,28,828	37,65,45,017	43,16,64,347

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2019	31 March 2018	1 April 2017
Interest sensitivity			
Interest rates – increase by 100 basis points (100 bps)	39,69,546	44,25,278	48,37,777
Interest rates – decrease by 100 basis points (100 bps)	(39,69,546)	(44,25,278)	(48,37,777)

(ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates..

3.41 Business Combinations

Pursuant to the Scheme of Merger and Amalgamation (the 'Scheme') under Section 230-232 of the Companies Act, 2013 duly approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide order dated 27 March 2019, erstwhile subsidiary company, M/s Reva Proteins Limited ('the Transferor Company') have merged with the Company with effect from 1 April 2017. Accordingly, all the assets, liabilities of Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date.

The scheme has been accounted for using the pooling of interests method as prescribed under the scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations from the Appointed date.

Accordingly, the comparative accounting period presented in the standalone financial statements of the Company has been restated to take the accounting impact of the merger, hence are not comparable with the previously published standalone financial statements for the year ended 31 March 2018. The financial information of the transferor Company for the year ended 31st March 2018, included in the comparative accounting period pursuant to merger were audited by another firm of Chartered Accountants, who expressed an unmodified opinion on those financial statements vide their audit report dated 3 May 2018.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

The scheme provides for issuance of 44,44,444 nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company, which is currently pending for allotment.

The difference between the consideration and the value of net identifiable assets taken over as of 1 April 2017 amounting to Rs. 27,50,61,957 is treated as Capital Reserve and shown separately under the head "Other equity".

Consequent to the merger, the management is in the process of mutation of the title deeds of the following land and building of the transferor company in its name.

Nature of Property	Whether leasehold/ freehold	Gross block as on 31st March 2019	Net block on 31st March 2019
Land	Leasehold	6,22,69,322	5,65,02,360
Building	Freehold	16,56,93,840	8,57,32,476

3.42 Events after the Balance sheet date

The Board of Directors have recommended a final dividend of Rs. 1.50 per share to be paid on equity shares of Rs. 10/- each. This equity dvidend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs 27,99,373/-.

3.43 Disclosure pursuant to Securities (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act 2013

The details of loans , guarantees and investments under Section 186 of the Companies Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows :-

(i) Details of investments are given in Note 3.03

(ii) Details of loans given are - Nil

(iii) Details of guarantees given are as follows :-

Name of the Party	Relashionship	Amount of loan outstanding As at 31st March 2019	Amount of loan outstanding As at 31st March 2018
Bamni Proteins Ltd.	Subsidiary Company	6,98,70,620	Nil

This is the summary of accounting policies and other explanatory information referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
Chairman
DIN : 05272476

DR. SHARMILA MARY JOSEPH IAS
Director
DIN : 07974964

SAJIV K. MENON
Managing Director
DIN : 00168228

A. K. NAIR
Director
DIN : 00009148

E NANDAKUMAR
Director
DIN : 01802428

SAHASRANAMAN P.
Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

DR. SHINYA TAKAHASHI
Director
DIN: 07809828

G. RAJESH KURUP
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Nitta Gelatin India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 2.41 to the accompanying consolidated financial statements, which states that pursuant to the Scheme of Amalgamation and Merger (the 'Scheme') entered into between erstwhile subsidiary company, M/s Reva Proteins Limited (the 'Transferor Company') and the Holding Company, as approved by the Hon'ble National Company Law Tribunal, Chennai Bench, the Transferor Company has been merged with the Holding Company and has been accounted for as per accounting prescribed under the Scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations. Accordingly, opening balance sheet as at 1 April 2017, comparative financial information for the year ended 31 March 2018 and the accompanying consolidated financial statements for the year ended 31 March 2019 have been adjusted to account for the aforesaid merger, as described in aforementioned note. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming

our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
(a) Provisions and contingent liabilities relating to litigations (Refer note 2.30 of the accompanying consolidated financial statements): Following are the significant matters relating to litigations that are outstanding as at 31 March 2019: i. Customs duty demand of 196,835,881 ii. Water cess demand of 65,301,200 iii. Other tax matters of 121,837,037 The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Holding Company's reported profit and balance sheet position. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. Key judgments are also made by the management in estimating the amount of liabilities, provisions and/ or contingent liabilities related to aforementioned litigations. Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit. and its subsidiaries	Our audit work included, but was not limited to the following procedures: • Obtained an understanding of the management process for: - identification of legal and tax matters initiated against the Holding Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained an understanding of the nature of litigations pending against the Holding Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Holding Company. Tested the independence, objectivity and competence of such management experts involved. • On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing. • Obtained independent opinion/confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims. • Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. • Assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations. • Involved our tax specialists to assess the Holding Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. • Evaluated the disclosures made under provisions and contingent liability for their appropriateness in accordance with the applicable accounting standards.

(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 2.1 of the accompanying consolidated financial statements) Pursuant to the Scheme of Merger and Amalgamation (the 'Scheme) as detailed in note 2.41 to the consolidated financial statements, the assets and liabilities of the Transferor Company have been recognised in the books of the Holding Company at their carrying amounts as on 1 April 2017, which includes the carrying value of Property, Plant and Equipment ('PPE') as at 31 March 2019 306,681,888. As mentioned in note 2.1 to the consolidated financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at 31 March 2019, in the manner prescribed under Ind AS 36 – Impairment of Assets, there is no impairment in the carrying value of the PPE as at 31 March 2019. Fair value and value-in-use of such PPE for the determination of the recoverable amounts involves significant judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, future cash flow projections made by the management using internal and external assumptions, and using appropriate discount rate. As a result of such judgements and significance of the amounts involved, the matter has been identified as a key audit matter in the current year audit. Emphasis of Matter This matter is also considered as fundamental to the understanding of the users of the financial statements.	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of the management process and performed a walkthrough to evaluate design effectiveness and tested operating effectiveness of key controls around identification of impairment indicators, impairment testing of property, plant and equipment which include identification of cash generating units at which level such impairment testing is required to be performed. • Obtained and reviewed the valuation report given by the valuation specialist for the fair value of the PPE using cost approach valuation model. • Assessed the valuation specialist's qualification, expertise, objectivity and reviewed their terms of engagement to determine whether there were any matters that may have imposed scope limitations upon their work. • Tested the key inputs on sample basis such as capitalization date, gross and net block as at 31 March 2019, useful life used by the valuation expert by comparison of the same from the fixed assets register. • Obtained the business plans of the Holding Company for the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Performed sensitivity analysis in respect of the key assumptions used, including revenue growth rates, cost reduction targets and discount rate to verify appropriateness of such assumptions. • Compared the actual results of estimates made in prior period to assess accuracy of management's estimates. • Assessed appropriateness of the disclosures made by the management for impairment assessment of carrying value of PPE.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

   Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and

fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/ management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group covered under the Act have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 25,37,93,545 and net assets of Rs. 14,79,42,641 as at 31 March 2019, total revenues of Rs.57,20,15,738 and net cash inflows amounting to Rs. 36,94,186 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Further, the financial information of the Transferor Company for the year ended 31 March 2018 and balance sheet as at 1 April 2017 included in the comparative financial information given in accompanying consolidated financial statements are based on first Ind AS compliant financial statements of the Transferor Company prepared for the year ended 31 March 2018, which were audited by another firm of Chartered Accountants, M/s Varma and Varma, who expressed an unmodified opinion on those financial statements vide their audit report dated 3 May 2018.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiary, we report that the Holding Company, its subsidiary company, covered under the Act has paid remuneration to their respective directors in excess of limits laid down under section 197 read with Schedule V to the Act by Rs. 60,99,436, which is subject to approval of the shareholders by special resolution in the ensuing Annual General Meeting in accordance with the provisions of section 197 read with Schedule V to the Act, as mentioned in the note 2.28 to the accompanying consolidated financial statements.

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company, covered under the Act, none of the directors of the Group companies,covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 2.30 to the consolidated financial statements.;

ii. the Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2019;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Kochi
9 May 2019

Annexure I to the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the consolidated financial statements for the year ended 31 March 2019

Annexure I

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company,as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR,and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on IFCoFR of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matter

9. We did not audit the IFCoFR insofar as it relates to one subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 25,37,93,545 and net assets of Rs. 14,79,42,641 as at 31 March 2019, total revenues of 57,20,15,738 and net cash inflows amounting to Rs. 36,94,186 for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR insofar as it relates to such subsidiary company have been audited by other auditor whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act insofar as it relates to such subsidiary companyis based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Kochi
9 May 2019

NITTA GELATIN INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

(All amounts in ₹, unless otherwise stated)

	Particulars	Note	As at 31 March 2019	As at 31 March 2018 Restated	As at 1 April 2017 Restated
ASSETS					
Non-current Assets					
(a)	Property, Plant and Equipment	2.1	1,21,84,65,717	1,12,86,08,805	1,09,89,59,232
(b)	Capital Work-in-progress	2.1	3,57,34,603	10,25,41,437	12,82,09,812
(c)	Other Intangible Assets	2.2	39,11,706	51,53,776	37,56,849
(d)	Intangible Assets under development		-	3,00,000	-
(e)	Financial assets				
	(i) Investments	2.3	92,38,737	89,42,395	89,97,797
	(ii) Loans	2.4	17,33,741	5,82,247	4,08,242
	(iii) Other financial assets	2.5	4,54,39,159	3,57,11,961	3,53,02,540
(f)	Deferred tax assets (net)		-	-	4,71,02,791
(g)	Non current tax assets (net)		19,11,69,652	16,57,66,573	4,97,97,246
(h)	Other non-current assets	2.6	13,40,15,504	11,77,05,169	12,76,49,258
			1,63,97,08,819	**1,56,53,12,363**	**1,50,01,83,767**
Current Assets					
(a)	Inventories	2.7	69,95,26,799	72,78,27,565	73,85,83,746
(b)	Financial assets				
	(i) Trade Receivables	2.8	63,46,82,782	61,46,72,845	52,43,31,662
	(ii) Cash and Cash Equivalents	2.9	4,50,17,076	3,18,16,010	3,67,25,248
	(iii) Other bank balances	2.10	1,27,30,940	4,14,39,692	11,29,70,922
	(iv) Loans	2.4	20,61,603	2,59,045	2,22,711
	(v) Other financial assets	2.5	3,37,20,868	1,25,02,263	6,56,19,554
(c)	Other current assets	2.6	6,57,89,983	6,98,45,195	6,49,68,409
			1,49,35,30,051	**1,49,83,62,615**	**1,54,34,22,252**
Assets held for sale			-	-	1,22,71,364
Total Assets			**3,13,32,38,870**	**3,06,36,74,978**	**3,05,58,77,383**
EQUITY AND LIABILITIES					
Equity					
(a)	Equity share capital	2.11	9,07,91,600	9,07,91,600	9,07,91,600
(b)	Other equity	2.12	1,41,48,05,680	1,39,46,86,069	1,39,53,53,855
(c)	Non Controlling Interest		2,61,10,189	1,12,72,206	99,10,394
			1,53,17,07,469	**1,49,67,49,875**	**1,49,60,55,849**
Non-current liabilities					
(a)	Financial liabilities				
	(i) Borrowings	2.13	33,86,28,828	37,65,45,017	43,16,64,347
(b)	Provisions	2.17	2,29,35,429	3,16,68,166	2,66,21,566
(c)	Deferred Tax Liabilities (Net)	2.14	2,03,75,249	2,15,09,241	-
			38,19,39,506	**42,97,22,424**	**45,82,85,913**
Current Liabilities					
(a)	Financial liabilities				
	(i) Borrowings	2.13	68,25,44,873	59,32,36,597	63,69,46,735
	(ii) Trade Payables	2.15			
	(a) Total outstanding dues of micro enterprises and small enterprises		1,47,400	11,33,730	4,73,250
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		21,62,71,167	25,12,55,271	22,47,18,489
	(iii) Other financial liabilities	2.16	9,50,61,742	9,58,36,176	8,79,30,975
(b)	Other current liabilities	2.18	9,81,07,655	6,40,70,164	2,16,21,108
(c)	Provisions	2.17	2,50,99,555	2,93,11,238	2,57,84,025
(d)	Current tax liability (net)		10,23,59,503	10,23,59,503	10,40,61,039
			1,21,95,91,895	**1,13,72,02,679**	**1,10,15,35,621**
Total equity and liabilities			**3,13,32,38,870**	**3,06,36,74,978**	**3,05,58,77,383**

See accompanying notes forming part of these consolidated financial statements.
This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
Chairman
DIN : 05272476

DR. SHARMILA MARY JOSEPH IAS
Director
DIN : 07974964

SAJIV K. MENON
Managing Director
DIN : 00168228

A. K. NAIR
Director
DIN : 00009148

E NANDAKUMAR
Director
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SAHASRANAMAN P.
Chief Financial Officer

RADHA UNNI
Director
DIN : 03242769

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

DR. SHINYA TAKAHASHI
Director
DIN: 07809828

G. RAJESH KURUP
Company Secretary

NITTA GELATIN INDIA LIMITED

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ , unless otherwise stated)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018 *
INCOME			
Revenue from operations	2.19	3,03,03,33,686	3,42,12,94,920
Other income	2.20	91,63,224	4,58,76,636
Total income		**3,03,94,96,910**	**3,46,71,71,556**
EXPENSES			
Cost of materials consumed	2.21	1,30,14,62,926	1,83,77,88,581
Purchases of stock-in-trade		2,94,87,245	1,17,28,800
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.22	37,96,452	(10,81,87,692)
Employee benefits expense	2.23	37,33,34,242	36,89,16,977
Finance costs	2.24	8,17,07,658	6,04,70,991
Depreciation and amortisation expense	2.1	14,91,89,961	15,03,20,433
Other expenses	2.25	1,02,72,21,850	1,02,73,04,917
Total Expenses		**2,96,62,00,334**	**3,34,83,43,007**
Profit / (Loss) before tax		**7,32,96,576**	**11,88,28,549**
Tax expense			
Current tax		3,41,30,000	280,89,486
Minimum Alternate Tax credit entitlement		-	(2,78,00,000)
Deferred tax		(1,00,55,985)	7,25,36,634
Profit / (Loss) for the year		**4,92,22,561**	**4,60,02,429**
Profit attributable to:			
Equity holders of the Company		3,47,11,274	4,45,46,172
Non-controlling interest		1,45,11,287	14,56,257
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
a) Re-measurement losses in defined benefit plans		(15,08,112)	(64,34,714)
Income tax effect		4,69,950	21,30,947
		(10,38,162)	**(43,03,767)**
b) Measurement of financial assets through OCI		2,96,342	(55,402)
Income tax effect		(61,639)	11,413
		2,34,703	**(43,989)**
Net of items that will not be reclassified to profit or loss:		**(8,03,459)**	**(43,47,756)**
Items that will be reclassified subsequently to profit or loss:			
a) Gain/ (loss) recognised on cash flow hedges		2,10,47,830	(51,49,800)
Income tax effect		(71,45,820)	17,82,243
		1,39,02,010	**(33,67,557)**
Net of items that will be reclassified to profit or loss:		**1,39,02,010**	**(33,67,557)**
Other comprehensive income/ (loss), net of tax		**1,30,98,551**	**(77,15,313)**
Other comprehensive income/(loss) attributable to:			
Equity holders of the Company		1,27,71,855	(76,20,867)
Non controlling interest		3,26,696	(94,446)
Total comprehensive profit for the year		**6,23,21,112**	**3,82,87,116**
Total comprehensive income / (loss) attributable to:			
Equity holders of the Company		4,74,83,129	3,69,25,305
Non controlling interest		1,48,37,983	13,61,811
Earnings per equity share	2.26		
Basic		**3.82**	**4.91**
Diluted		**3.82**	**4.91**

*Restated

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

DR. K. ELLANGOVAN IAS
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Director
DIN: 07809828

G. RAJESH KURUP
Company Secretary

Place: Kochi
Date: 09.05.2019

NITTA GELATIN INDIA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ , unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018 Restated
A. Cash Flows from Operating Activities		
Profit before tax	**7,32,96,576**	**1188,28,549**
Adjustments for:		
Depreciation	14,91,89,961	1503,20,433
Loss on assets sold / written off (Net)	4,07,878	23,01,400
Provision for assets held for sale	-	122,71,364
Finance Costs	8,17,07,658	6,04,70,991
Dividend received	(42,372)	(10,920)
Interest Income	(39,92,864)	(52,70,978)
Foreign Exchange (Gain)/Loss	40,64,928	19,20,067
Provision for doubtful debts	(9,18,592)	4,98,293
Operating Cash flows before working capital changes	**30,37,13,173**	**34,13,29,199**
Adjustments for working capital changes:		
(Increase) in Trade and Other Receivables	(3,93,62,024)	(6,57,97,306)
Decrease in Inventories	2,83,00,766	107,56,181
Increase/ (Decrease) in Trade/ other payables	(65,74,368)	9,93,24,672
Increase / (Decrease) in provisions	(1,44,52,532)	11,76,174
Cash generated from Operating Activities	**27,16,25,015**	**38,67,88,920**
Income Taxes Paid	(5,73,48,593)	(11,79,60,349)
Net Cash generated from Operating Activities	**21,42,76,422**	**26,88,28,571**
B. Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(17,32,11,668)	(15,41,63,193)
Proceeds from disposal of property, plant and equipment	31,25,002	12,88,673
Movement in other bank balances	2,76,56,465	7,32,59,078
Interest received	39,04,910	52,48,595
Dividend received	42,372	10,920
Net cash used in investing activities	**(13,84,82,919)**	**(7,43,55,927)**
C. Cash flows from financing activities		
Movement in short term borrowings (net)	3,28,45,055	(4,47,46,947)
Repayment of long term borrowings	1,03,43,134	(5,51,32,818)
Dividend paid	(2,26,43,015)	(3,13,20,113)
Tax paid on dividend	(46,65,619)	(63,58,606)
Interest paid	(7,84,71,992)	(6,18,23,398)
Net cash used in financing activities	**(6,25,92,437)**	**(19,93,81,882)**
Net Increase/(Decrease) in Cash Equivalents	**1, 32,01,066**	**(49,09,238)**

NITTA GELATIN INDIA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

(All amounts in ₹ , unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018 Restated
Cash and cash equivalents at beginning of the year	**3,18,16,010**	**3,67,25,248**
Cash and cash equivalents at the end of the year	**4,50,17,076**	**3,18,16,010**
	1,32,01,066	**(49,09,238)**

See accompanying notes forming part of these consolidated financial statements.
This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

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DIN: 07809828

G. RAJESH KURUP
Company Secretary

NITTA GELATIN INDIA LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

(All amounts in ₹, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	**Equity shares Number**	**Equity shares Amount**
As at 1 April 2017	**90,79,160**	**9,07,91,600**
Add: Issued and subscribed during the year	-	-
As at 31 March 2018	**90,79,160**	**9,07,91,600**
Add: Issued and subscribed during the year	-	-
As at 31 March 2019	**90,79,160**	**9,07,91,600**

B. Other equity

	Reserves and Surplus						Items of OCI					Total
Particulars	**Securities premium**	**Retained earnings**	**Special Export Reserve**	**Other Equity**	**Capital Reserve on merger**	**General Reserve**	**Hedge reserve**	**Equity Instruments through OCI**	**Other items of other comprehensive income / (loss)**	**Total other equity**	**Non-controlling interests**	
Balance as at 1 April 2017 (Restated)	**28,95,90,000**	**(6,55,87,890)**	**79,00,000**	**9,84,42,747**	**27,50,61,957**	**78,36,64,400**	**49,29,609**	**7,60,650**	**5,92,382**	**1,39,53,53,855**	**99,10,394**	**1,40,52,64,249**
Profit for the year	-	4,45,46,172	-	-		-	-	-	-	445,46,172	14,56,257	4,60,02,429
Other comprehensive income/(loss)	-		-	-		-	(33,67,557)	(43,989)	(42,09,321)	(76,20,867)	(94,446)	(77,15,313)
Dividend paid	-	(3,12,34,485)	-	-		-	-	-	-	(3,12,34,485)		(3,12,34,485)
Corporate dividend tax	-	(63,58,606)	-	-		-	-	-	-	(63,58,606)		(63,58,606)
Balance as at 31 March 2018	**28,95,90,000**	**(5,86,34,809)**	**79,00,000**	**9,84,42,747**	**27,50,61,957**	**78,36,64,400**	**15,62,052**	**7,16,661**	**(36,16,939)**	**1,39,46,86,069**	**1,12,72,206**	**1,40,59,58,275**
Profit for the year	-	3,47,11,274	-	-	-	-	-	-	-	3,47,11,274	1,45,11,287	4,92,22,561
Other comprehensive income/(loss)	-	-	-	-	-	-	1,34,52,777	2,34,703	(9,15,625)	127,71,855	3,26,696	1,30,98,551
Dividend paid	-	(2,26,97,899)	-	-	-	-	-	-	-	(2,26,97,899)	-	(2,26,97,899)
Corporate dividend tax	-	(46,65,619)	-	-	-	-	-	-	-	(46,65,619)	-	(46,65,619)
Balance as at 31 March 2019	**28,95,90,000**	**(5,12,87,053)**	**79,00,000**	**9,84,42,747**	**27,50,61,957**	**78,36,64,400**	**1,50,14,829**	**9,51,364**	**(45,32,564)**	**1,41,48,05,680**	**261,10,189**	**1,44,09,15,869**

See accompanying notes forming part of these consolidated financial statements.
This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

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G. RAJESH KURUP
Company Secretary

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

1. General Information

Nitta Gelatin India Limited ('the Holding Company'/ 'NGIL'), a public limited company, operates in the business of manufacture and sale of ossein, gelatin, & collagen peptide. The Company's shares are listed for trading on BSE Limited in India.

The consolidated financial statements comprise financial statements of Holding Company and its Subsidiary (together referred to as the "Group").

2. Summary of significant accounting policies

a) Basis of accounting and preparation

These Consolidated financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (As amended).

Pursuant to approval of the Hon'ble National Company Law Tribunal, Chennai Bench for the merger of erstwhile Subsidiary Company, M/s. Reva Proteins Ltd. with the Holding Company, the comparative accounting period presented in the Consolidated Financial Statements has been restated to take the accounting impact of the merger (Ref. Note 3.41).

The Consolidated Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The accounting policies have been applied consistently over all the periods presented in these Consolidated financial statements except as mentioned below in note 2 (b).

b) Application of New Accounting Pronouncements

The Group has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below.

i. The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of Initial Application being Ist April 2018. Ind AS 115 establishes a comprehensive frame work on Revenue recognition. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 "Construction Contracts". The application of Ind AS 115 did not have material impact on the Consolidated Financial Statements.

ii. The Group has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and advance consideration with effect from Ist April 2018, prospectively to all assets, expenses and income initially recognized on or after Ist April 2018 and the impact on implementation of the Appendix is immaterial.

c) Basis of consolidation

The consolidated financial statements of the group include :

	Country of incorporation	Percentage of share holding/voting power	
		31 March 2019	31 March 2018
Subsidiary			
Bamni Proteins Limited	India	82.35%	82.35%

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee.

Rights arising from other contractual arrangements. The Group's voting rights and potential voting rights.

The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial

(All amounts in ₹, unless otherwise stated)

statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest represents the amount of equity not attributable, directly or indirectly, to the Company at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, consolidated statement of changes in equity and Consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control is accounted for as an equity transaction.

- If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

d) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant Management Judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Group 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.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

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. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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 bases its assumptions on observable data as far as possible but this is not always available. In that case 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.

e) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

- 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 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.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

f) Property, plant and equipment

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 Group 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.

The Group depreciates Property, plant and equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

Asset Category	Useful lives (in years)
Factory Building	30
Office Building	60
Plant and Equipment	5 - 25
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/major inspection relating to property, plant and equipment is 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.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

g) Intangible assets

The Group 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 are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Group amortizes intangible over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computer software	5

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.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group 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.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

i) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflect the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

(All amounts in ₹, unless otherwise stated)

Sale of goods

Revenue from sale of goods is recognized when the control on the goods have been transferred to the customers. The performance obligation in case of sale of goods is satisfied at a point in time, ie when the material is shifted to the customer or on delivery to the customer as may be reflected in the contract.

Export incentives

Income from Export incentives are recognized when right to receive credit as per the terms of the scheme is established and when there is certainty of realisation.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income in the Statement of Profit and Loss.

Dividends

Revenue is recognised when the Group’s right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

j) Employee benefits

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

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

Defined benefit plan

Gratuity - Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the Group make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Long term employee benefits

Compensated absences

The Group provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs

Short-term employee benefits

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

k) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease. All other leases are classified as Operating lease

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 Group 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 in 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, whichever is lower. However, if there is no reasonable certainty that the Group 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.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group 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.

l) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These financial statements are presented in Indian Rupees.

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 Statement of 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.

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(All amounts in ₹, unless otherwise stated)

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 within 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.

m) 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.

n) Inventories

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

o) Research and development

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

p) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

q) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and 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 tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability

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in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred 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 Group 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') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group 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 Company will pay normal income-tax during the specified period.

r) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Group 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 Group 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 Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

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(All amounts in ₹, unless otherwise stated)

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

s) 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

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;

ii. Debt instruments at fair value through other comprehensive income (FVTOCI);

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and

iv. Equity investments.

i. Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) 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.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet

(All amounts in ₹, unless otherwise stated)

the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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(All amounts in ₹, unless otherwise stated)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition of financial liabilities

A financial liability is derecognised 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 derecognition 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 and Loss.

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.

Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted sales. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

t) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

Trade receivables

The Group 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 Group 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.

u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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(All amounts in ₹, unless otherwise stated)

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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 Group 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:

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

v) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

w) Dividend distribution to equity holders

Dividends to the Company's equity share holders are recognized when the dividends are approved for payment by the share holders.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment.

y) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group (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.

(z) Business combination of entities under common control

Business combinations involving entities that are controlled by the Company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as capital reserves.

aa) Recent accounting pronouncements

Standards issued but not yet effective

(1) Ind AS 116 'Leases'

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(2) Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA) has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments. The amendment to Ind AS 12 requires the entities

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 1, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Group is evaluating the requirements of the amendments and their impact on the financial statements.

(3) Amendment to Ind AS 23, Borrowing costs

On March 30, 2019, Ministry of Corporate Affairs ("MCA) issued an amendment to Ind-AS 23 "Borrowing Costs clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. This amendment is not expected to have a material impact on the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2.1 Property, plant and equipment (PPE) & Capital Work in Progress

(All amounts in ₹, unless otherwise stated)

Particulars	Land and Development	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital Work in Progress
Gross carrying amount:								
Balance as at 1 April 2017	**4,69,96,926**	**25,18,55,294**	**91,75,94,342**	**27,97,247**	**78,10,986**	**73,67,766**	1,23,44,22,561	1282,09,812
Additions	-	3,03,57,043	14,26,10,013	19,62,913	53,92,574	12,68,653	18,15,91,196	627,99,727
Disposals	-	5,23,468	4,28,58,247	55,721	4,91,466	1,34,276	4,40,63,178	884,68,102
Balance as at 31 March 2018	**4,69,96,926**	**28,16,88,869**	**1,01,73,46,108**	**47,04,439**	**1,27,12,094**	**85,02,143**	**1,37,19,50,579**	**1025,41,437**
Additions	1,32,750	56,4,15,914	17,56,52,686	1484497	66,50,852	4848	24,03,41,547	32544881
Disposals		18,02,787	2,78,03,776	428872	47,28,011	0	3,47,63,446	99351715
Balance as at 31 March 2019	**4,71,29,676**	**33,63,01,996**	**1,16,51,95,018**	**57,60,064**	**1,46,34,935**	**85,06,991**	**1,57,75,28,680**	**357,34,603**
Accumulated depreciation								
Balance as at 1 April 2017	-	2,53,22,422	10,49,60,618	8,36,058	29,18,177	14,26,054	13,54,63,329	**-**
Depreciation charge for the year	-	2,59,82,634	11,53,37,004	8,85,942	39,56,810	21,89,160	1,48,351,550	**0**
Disposals		**1,15,703**	**3,97,81,759**	**53,309**	**4,66,213**	**56121**	**4,04,731,05**	**0**
Balance as at 31 March 2018	-	5,11,89,353	18,05,15,863	16,68,691	64,08,774	35,59,093	24,33,41,774	
Depreciation charge for the year	-	2,42,52,376	11,57,45,404	9,75,922	44,27,256	1550797	14,69,51,755	**-**
Disposals		**14,63,166**	**2,48,67,236**	**4,05,588**	**44,94,576**	**0**	**3,12,30,566**	**0**
Balance as at 31 March 2019	-	7,39,78,563	27,13,94,031	22,39,025	63,41,454	51,09,890	35,90,62,963	**-**
Net carrying amount								
As at 1 April 2017	4,69,96,926	22,65,32,872	81,26,33,724	19,61,189	48,92,809	59,41,712	1,09,89,59,232	12,82,09,812
As at 31 March 2018	4,69,96,926	23,04,99,516	83,68,30,245	30,35,748	63,03,320	49,43,050	1,12,86,08,805	10,25,41,437
As at 31 March 2019	4,71,29,676	26,23,23,433	89,38,00,987	35,21,039	82,93,481	33,97,101	1,21,84,65,717	3,57,34,603

Note:

a. Contractual obligations
Refer Note 2.31

b. Capitalised borrowing cost
There is no borrowing costs capitalised during the year ended 31 March 2019 (31 March 2018: Nil).

c. Refer note 2.27

d. Additions to Plant & Equipment include Research & Development Assets capitalised during the year Rs 32,99,135 (31st March 2018 - Rs 29,11,997 . Refer note 2.25.1

f The Gross Carrying value, Accumulated depreciation and Net Carrying value as at 01st April 2017, 31st March 2018 and 31st March 2019 includes the assets of M/s Reva Proteins Limited (erstwhile Subsidiary company) which was merged with the Holding Company wef 1st April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27th March 2019. The carrying value of assets & liabilities of transferor company as of 1st April 2017 was taken over and included in the values of assets and liabilities of the Holding Company.

g In view of the existence of certain indicators of impairment of the carrying value of Property, Plant and Equipment at its plant situated at Bharuch, taken over from the transferor company, the Holding Company has conducted an impairment testing of the carrying value of Property, Plant and Equipment as at 31st March 2019 in the manner prescribed in IND AS 36. Based on the improved cash flows expected in the future and on the basis of market value certifications provided by the valuation expert, the recoverable amount of the group of assets at the said plant is determined to be greater than the carrying amount and therefore no provision for impairment is considered necessary at this stage by the Holding Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.2 Intangible assets

Particulars	Software	Total
Gross Carrying amount		
Balance as at 1 April 2017	**52,62,323**	**52,62,323**
Additions	33,65,810	33,65,810
Disposals	-	-
Balance as at 31 March 2018	**86,28,133**	**86,28,133**
Additions	15,83,000	15,83,000
Disposals	8,64,585	8,64,585
Balance as at 31 March 2019	**93,46,548**	**93,46,548**
Accumulated depreciation		
Balance as at 1 April 2017	**15,05,474**	**15,05,474**
Amortisation for the year	19,68,883	19,68,883
Disposals	-	-
Balance as at 31 March 2018	**34,74,357**	**34,74,357**
Amortisation for the year	22,38,206	22,38,206
Disposals	2,77,721	2,77,721
Balance as at 31 March 2019	**5434842**	**5434842**
Net block		
As at 1 April 2017	**37,56,849**	**37,56,849**
As at 31 March 2018	**51,53,776**	**51,53,776**
As at 31 March 2019	**39,11,706**	**39,11,706**

Note:

a. **Contractual obligations**

There are no contractual commitments for the acquisition of intangible assets

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.3. Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
At FVOCI			
Non trade (Quoted)			
4200 (4200) Equity Shares of Re. 1/- each in State Bank of India, fully paid up	13,47,360	10,50,420	11,04,978
100 (100) Equity Shares of Rs. 10/- each in Industrial Finance Corporation of India Limited, fully paid up	1,377	1,975	2,819
Aggregate amount of quoted investments	**13,48,737**	**10,52,395**	**11,07,797**
At FVOCI (Unquoted)			
60,000 (60,000) fully paid up Equity Shares of Rs. 10/- each in Kerala Enviro Infrastructure Limited	6,00,000	6,00,000	6,00,000
4,14,000 (4,14,000) fully paid up Equity Shares of Rs 10/- each in Narmada Clean Tech Limited #	41,40,000	41,40,000	41,40,000
300,000 (300,000) fully paid up Equity Shares of Rs. 10/- each in Seafood Park (India) Limited	31,50,000	31,50,000	31,50,000
50,000 (50,000) fully paid up Equity Shares of Rs. 10/- each in Cochin Waste 2 Energy Private Limited	5,00,000	5,00,000	5,00,000
Less: Provision for impairment in value of investments	(5,00,000)	(5,00,000)	(5,00,000)
Aggregate amount of unquoted investments	**78,90,000**	**78,90,000**	**78,90,000**
	92,38,737	**89,42,395**	**89,97,797**

These investments are in the name of the transferor company which is currently pending for transfer in the name of the Company. (Refer note 2.41)

2.4 Loans

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current			
Unsecured (Considered Good)			
Loan to employees	17,33,741	5,82,247	4,08,242
Trade advance to related party [refer note (a) below]	-	-	
	17,33,741	**5,82,247**	**4,08,242**
Current			
(Unsecured, Considered Good)			
Loan to employees	20,61,603	2,59,045	2,22,711
	20,61,603	**2,59,045**	**2,22,711**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.5 Other Financial Assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current			
(Unsecured, Considered Good)			
Security deposits	4,15,55,625	3,30,36,007	3,13,92,854
Balance with bank-deposit Accounts #	23,01,019	11,48,324	22,96,427
Earmarked balances with banks for unpaid dividend ##	15,82,515	15,27,630	16,13,259
	4,54,39,159	**3,57,11,961**	**3,53,02,540**
Current			
(Unsecured, Considered Good)			
Advances recoverable in cash or in kind	81,60,845	74,90,639	83,47,777
Security deposits	3,22,346	4,11,189	7,39,325
Hedge asset	2,34,36,580	23,88,750	5,42,10,115
Interest receivable	12,71,499	11,83,545	11,61,162
Others	5,29,598	10,28,140	11,61,175
	3,37,20,868	**1,25,02,263**	**6,56,19,554**

Balance with banks in deposit accounts included deposits held as security against Letter of Credits/Guarantee.

Not due for deposits in the investor education and protection fund.

2.6 Other assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current			
(Unsecured, Considered Good)			
Capital advance	55,77,314	55,97,595	1,87,56,083
Prepaid lease rental [refer Note (a) below]	7,59,12,622	7,68,22,122	7,77,12,541
Export Incentive - [Refer Note (b) below]	3,56,08,002	2,49,46,508	2,08,47,083
VAT refund receivable	85,90,610	85,90,610	85,85,217
Deposit with Government authorities	83,26,956	17,48,334	17,48,334
(Unsecured, Considered Doubtful)			
Export incentive receivable [refer note (b) and (c) below]	1,77,76,195	1,77,76,195	1,77,76,195
Less: Provision for doubtful deposits	(1,77,76,195)	(1,77,76,195)	(1,77,76,195)
	13,40,15,504	**11,77,05,169**	**12,76,49,258**
Current			
(Unsecured, Considered Good)			
Balances with Statutory authorities	1,74,61,635	1,38,97,336	84,09,821
Prepaid expenses	1,54,97,121	1,12,73,649	95,14,285
Export incentive receivable	2,07,68,640	2,23,30,382	2,68,20,514
Advances recoverable in cash or in kind	1,11,53,087	2,14,53,409	1,93,33,370
Prepaid lease rental [refer Note (a) below]	9,09,500	8,90,419	8,90,419
	6,57,89,983	**6,98,45,195**	**6,49,68,409**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

(a) Includes 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 transfer or 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. 71,83,430/-), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat. The title deeds are in the name of the transferor company which is currently pending for transfer in the name of the Company Export incentives receivable includes:

b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to Rs 64,61,789 (31 March 2018 - Rs 64,61,789) has been decided against the company by the division bench of the Hon High Court of Kerala. The company has sought further appeal before Hon Supreme Court and although the company is hopeful of favorable order, provision has been created in respect of such disputed claims in the books of account as a matter of prudence.

c) Claims amounting to Rs 2,08,18,015 (31st March 2018-Rs. 2,08,18,015) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to Rs 41,51,031 (31 March 2018 -Rs 41,51,031) The Dy. Director General of Foreign Trade vide letter dt 03.10.2011 had informed the company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. During the previous year, the Grievance Committee of the Directorate General of Foreign Trade have heard the company's grievance application and remanded the matter back to the original adjudicating authorities for reexamining and for issuing necessary clarification based on the provisions of Foreign Trade Policy. Though the management is of the opinion that these claims are fully recoverable, provision has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of prudence.

2.7 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Raw Materials	14,92,00,757	17,46,53,425	24,63,88,131
Raw Materials in transit	1,46,42,002	-	1,96,15,776
Work-in-progress	29,47,41,970	26,68,92,570	23,31,00,731
Finished Goods	14,85,57,184	18,02,03,036	10,58,07,183
Stores and Spares	8,38,56,922	9,87,58,656	12,63,13,773
Others	85,27,964	73,19,878	73,58,152
	69,95,26,799	**72,78,27,565**	**73,85,83,746**

Method of Valuation of Inventories - Refer 2(q) of Significant Accounting Policies.

2.8 Trade Receivables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	63,46,82,782	61,46,72,845	52,42,51,859
Trade receivables which have significant increase in credit risk			

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Trade receivables - Credit Impaired	45,05,193	54,23,785	50,05,295
	63,91,87,975	**62,00,96,630**	**52,92,57,154**
Less: Allowances for expected credit loss	(45,05,193)	(54,23,785)	(49,25,492)
	63,46,82,782	**61,46,72,845**	**52,43,31,662**

2.9 Cash and Cash Equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Balance with Banks			
- In Current Accounts	4,26,49,136	3,12,00,589	3,61,97,482
- In Deposit Accounts #	20,49,739	-	-
Cash on hand	3,18,201	6,15,421	5,27,766
	4,50,17,076	**3,18,16,010**	**3,67,25,248**

2.10 Other Bank balances

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Balance with Banks			
- In Deposit Accounts	1,27,30,940	4,14,39,692	11,29,70,922
	1,27,30,940	**4,14,39,692**	**11,29,70,922**

Balance with banks in Deposit Accounts include Rs. 1,40,07,367 (Rs. 1,19,31,435) with a maturity period of less than 12 months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit.

2.11 Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
(a) Authorised						
Equity share of ₹ 10 each	4,00,00,000	4,00,0,00,000	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Optionally convertible non cumulative preference share of Rs. 170 each	9,29,412	15,80,00,040	9,29,412	15,80,00,040	9,29,412	15,80,00,040
Optionally convertible non cumulative preference share of Rs. 10 each	2,00,00,000	20,00,00,000	-	-	-	-
Redeemable preference share of Rs. 10 each	44,44,444	4,44,44,440	-	-	-	-
	6,53,73,856	**80,24,44,480**	**2,09,29,412**	**35,80,00,040**	**2,09,29,412**	**35,80,00,040**
(b) Issued, subscribed and fully paid-up						
Equity share of ₹ 10 each	90,79,160	9,07,91,600	90,79,160	9,07,91,600	90,79,160	9,07,91,600
	9,079,160	**90,791,600**	**9,079,160**	**90,791,600**	**9,079,160**	**90,791,600**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Equity share of ₹10 each						
Opening balance	90,79,160	9,07,91,600	90,79,160	9,07,91,600	90,79,160	90,791,600
Issue of shares during the year	-	-	-	-	-	-
Closing balance	**90,79,160**	**9,07,91,600**	**90,79,160**	**9,07,91,600**	**90,79,160**	**90,791,600**

(b) Terms/ Rights attached to equity share holders:

The Holding company has only one class of shares referred to as equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 01 April 2017	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity share of ₹ 10 each						
Nitta Gelatin Inc. Japan	39,00,300	42.96	39,00,300	42.96	39,00,300	42.96
Kerala State Industrial Development Corporation Limited	28,62,220	31.52	28,62,220	31.52	28,62,220	31.52

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves (Issued in the year 2013)	-	5,79,160	5,79,160

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.12 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Securities Premium	28,95,90,000	28,95,90,000	28,95,90,000
Retained earnings	(5,12,87,053)	(5,86,34,809)	(6,55,87,890)
Other Equity	9,84,42,747	9,84,42,747	9,84,42,747
Capital Reserve on Merger	27,50,61,957	27,50,61,957	27,50,61,957
Special Export Reserve (under the Income Tax Act, 1961)	79,00,000	79,00,000	79,00,000
General Reserve	78,36,64,400	78,36,64,400	78,36,64,400
Items of Other Comprehensive Income (OCI)			
. Hedge reserve	1,50,14,829	15,62,052	49,29,609
- Equity instruments through OCI	9,51,364	7,16,661	7,60,650
- Remeasurements of net defined benefit plans	(45,32,564)	(36,16,939)	5,92,382
	1,41,48,05,680	**1,39,46,86,069**	**1,39,53,53,855**

Description of nature and purpose of each reserve

a. Securities premium

The amount received in excess of face value of the equity shares was recognised in securities premium. The reserve is utilised in accordance with the provisions of the Act.

b. Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Special export reserve

Special export reserve was created as per the provisions of Income Tax Act, 1961 for availing the tax benefits for exports.

d. Other equity

The difference between the fair value and cost of the financial instrument has been considered as additional contribution and shown as part of Other equity.

e. General reserve

General reserve was created form time to time by way of transfer of profits from retained earnings for appropriation purposes.

f. Capital reserve on merger

Capital reserve was created on merger of erstwhile Reva Proteins Limited with the Holding Company. The Group uses capital reserve for transactions in accordance with the provisions of the Act.

g. Items of Other Comprehensive Income

i) Hedge reserve: Effective portion of fair value gain/(loss) on all financial instrument designated in cash flow hedge relationship are accumulated in hedge reserve.

ii) Equity Instruments through OCI: The Group has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the Equity Instruments through OCI. The Group transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognized.

iii) Remeasurements of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.13 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non current			
(Secured)			
Term loans from banks:			
- Foreign currency loans	64,23,639	3,19,65,568	5,76,12,558
- Rupee Term Loans	61,03,194	85,90,807	1,08,12,180
Term loan from Others	9,12,29,068	11,53,29,068	13,98,19,091
(Unsecured)			
Term loan from Related Party			
- External Commercial Borrowings (ECB) from NGI	12,85,20,380	12,67,82,374	12,15,39,820
Liability component of optionally convertible preference shares	13,07,03,248	12,58,84,964	12,00,19,047
Liability component of redeemable preference Shares pending allotment	3,39,75,050	3,39,75,050	3,39,75,050
	39,69,54,579	**44,25,27,831**	**48,37,77,746**
Amount disclosed under "Other current liabilities" (refer note 2.16)	(5,83,25,751)	(6,59,82,814)	(5,21,13,399)
	33,86,28,828	**37,65,45,017**	**43,16,64,347**
Current			
(Secured)			
From Banks:			
Cash credits/Working Capital Demand Loans	48,68,45,782	33,57,20,123	39,44,18,904
Bill discounting	19,56,99,091	25,75,16,474	24,25,27,831
	68,25,44,873	**59,32,36,597**	**63,69,46,735**

2.13 Borrowings Non - current

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current borrowings						
Term loans from banks (Secured)						
i.	State Bank of India	Exclusive charge over the property, Plant and equipment created with the term loan assistance and collateral security by way of equitable mortgage of land owned by the Company on pari passu basis with other lenders and first charge over the Property, Plant and equipments of the holding Company on a pari passu basis.	Refer note 2.13.1	19,79,313	1,90,84,610	3,61,37,690
ii.	Canara Bank	Exclusive charge over the Property, plant and equipment created with the term loan assistance.	The principal amount is to be paid in 20 quarterly instalments of 2,250,000 starting from December 2014 as per the original terms. During the year 2015-16, the term loan had been converted into foreign currency loan, based on the same, the quarterly instalments had been reset to an amount in Foreign Currency of USD 33122	44,44,326	1,28,80,958	2,14,74,868

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

The interest on above term loans from banks are linked to the LIBOR rates. The effective interest rates per annum ranges between LIBOR +3.25% to 3.75%

iii.	HDFC Bank	Exclusive first charge over the Property, plant and equipment financed out of the term loan, second charge over the existing fixed assets of the holding Company.	"The loan is repayable in 72 monthly installments (including interest), commencing from 07.06.2015 in the following manner: From, March 2016 to May 2016 - Rs. 1,16,667 From, June 2016 to April 2021 - Rs. 2,73,029 In May 2021 - Rs. 34,588	61,03,194	85,90,807	1,08,12,180
				1,25,26,833	**4,05,56,375**	**6,84,24,738**
Term loans from others (Secured)						
i	Kerala State Industrial Devel opment Corpo ration Ltd.	Exclusive first charge over the property, plant and equipment of the company including leasehold assets, both present and future.	"The principal is repayable in 22 quarterly installments, commencing from 11.03.2017 in the following manner: From, March 2017 to March 2022 - Rs. 54,00,000 In June 2022 - Rs. 53,50,000	6,97,54,946	9,13,54,946	11,33,45,538
		Secured by way of simple mortgage by way of extension of exclusive first charge over the leasehold property held under lease deed no 1237 of 2010 dt 07.07.2010 , SRO Jhagadia.	"The principal is repayable in 28 quarterly installments, commencing from 11.03.2017 in the following manner: From, March 2017 to December 2019 - Rs 625,000, from December 2019 to December 2022 - Rs. 12,50,000 and from March 2023 to December 2023 Rs 18,75,000	2,14,74,122	2,39,74,122	2,64,73,553
				9,12,29,068	**11,53,29,068**	**13,98,19,091**
Term loans from Others (Unsecured)						
i.	ECB from Nitta Gelatin Inc (NGI)	ECBs are unsecured	The principal amount of Rs 650 lakhs taken by the Company is to be paid in five annual instalments of Rs. 130 Lakhs on 24.03.2019, 24.03.2020, 24.03.2021, 24.03.2022 and 24.03.2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests. (b) The principal Amount of Rs 900 lakhs taken by the Company is to be paid in 15 Equal Instalments of Rs 60 lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	12,85,20,380	12,67,82,374	12,15,39,820
				12,85,20,380	**12,67,82,374**	**12,15,39,820**

The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between 5.62 % to 7.54%

ii.	Optionally convertible preference shares		Refer note (2.13.2) below	13,07,03,248	12,58,84,964	12,00,19,047
iii.	Redeemable Preference shares - pending for allotment		Refer note (2.13.3) below	3,39,75,050	3,39,75,050	3,39,75,050
				16,46,78,298	15,98,60,014	15,39,94,097
	Total Borrowings			**39,69,54,579**	**44,25,27,831**	**48,37,77,746**

(All amounts in ₹, unless otherwise stated)

2.13.1 The principal amount of the loan is to be repaid on monthly installments in the following manner.

Particulars	Amount USD	Amount Rs.
From, February 2016 to March 2017	14,583	9,56,645
From, April 2017 to March 2019	21,874	14,34,934
In April 2019	28,438	19,79,313

2.13.2 The holding company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares (OCPS) with a face value of Rs. 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, a significant shareholder. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD LIBOR as on record date i.e. 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on pro rata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of Rs 10/- each within 18 months from the date of allotment (i.e 28.04.2015), in one or more financial years, at a price of Rs 170/- each (inclusive of a premium of Rs. 160/- per share). All outstanding Optionally Convertible Non- Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment.

2.13.3 Pursuant to the Merger as detailed in Note 2.41 , the company is required to issue 44,44,444 nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company.

2.13 Borrowings (Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the fixed assets of the Company. The Interest rate is 1 % to 2 % over the LIBOR rates	The loans are repayable on demand	55,53,59,159	59,14,63,759	61,39,47,205
ii	Cash Credit / Short term loans in Indian Rupee from Banks / Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the fixed assets of the Company. The Interest rate ranges from` 9% to 11.75%	The loans are repayable on demand	12,71,85,714	17,72,838	229,99,530
				68,25,44,873	**59,32,36,597**	**63,69,46,735**

2.14 Deferred Tax Liabilities (Net)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Deferred Tax Liability arising on account of:			
Differences between book balance and tax balance of property, plant and equipment	14,00,73,614	14,22,71,986	10,76,78,131
Timing differences on assessment of income	95,01,625	72,14,758	74,72,000
Deferred tax impact on fair value changes	1,73,27,276	1,53,99,712	3,87,70,078

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Deferred Tax Assets arising on account of:			
Unabsorbed business losses	(12,05,38,786)	(10,97,98,862)	(16,44,15,800)
Provision for doubtful debts and others	(1,44,00,364)	(1,55,66,904)	(1,00,39,866)
Provision for employee benefits	(1,13,47,476)	(1,42,44,508)	(1,67,74,003)
MAT credit entitlement	-	(21,84,486)	-
Others	(2,40,640)	(15,82,455)	(97,93,331)
Deferred Tax Liabilities (Net)	**2,03,75,249**	**2,15,09,241**	**(4,71,02,791)**

2.15 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Dues to Micro, medium and small enterprises	1,47,400	11,33,730	4,73,250
Dues to creditors other than micro enterprises and small enterprises	21,62,71,167	25,12,55,271	22,47,18,489
	21,64,18,567	**25,23,89,001**	**22,51,91,739**

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Group. This has been relied upon by the auditors

	Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	1,47,400	11,33,730	4,73,250
ii)	Interest due thereon remaining unpaid	Nil	Nil	Nil
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil	Nil
iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil	Nil
v)	Interest accrued and remaining unpaid	Nil	Nil	Nil
vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	Nil	Nil	Nil

2.16 Other financial liabilites

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Current			
Current maturities of long term borrowings	5,83,25,751	6,59,82,814	5,21,13,399
Unpaid Dividend	15,82,515	15,27,630	16,13,259
Interest accrued and due on borrowings	37,51,692	5,29,123	18,88,515
Interest accrued but not due on borrowings	3,72,011	3,58,914	3,51,929
Employee related liabilities	2,68,41,412	2,49,39,545	2,15,66,369
Creditors for capital goods	16,53,117	6,54,217	83,87,265
Others	25,35,244	18,43,933	20,10,239
	9,50,61,742	**9,58,36,176**	**8,79,30,975**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.17 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Non-current			
Provision for employee benefits			
- Gratuity	11,40,297	8,87,962	6,20,284
- Compensated absence	2,17,95,132	3,07,80,204	2,60,01,282
	2,29,35,429	**3,16,68,166**	**2,66,21,566**
Current			
Provision for employee benefits	28,12,681	59,23,870	23,96,657
Others	2,22,86,874	2,33,87,368	2,33,87,368
	2,50,99,555	**2,93,11,238**	**2,57,84,025**

2.18 Other liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Current			
Statutory dues	78,13,053	1,03,44,451	85,15,791
Advance received from customers	9,02,94,602	5,37,25,713	1,31,05,317
	981,07,655	**6,40,70,164**	**2,16,21,108**

2.19 Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from sale of goods	2,97,08,73,202	3,37,35,96,453
Other Operating Revenues		
Scrap Sales	42,52,087	76,18,873
Export Incentive	3,48,21,586	3,81,07,946
Provision / sundry balances written back	31,58,365	
Other Miscellaneous income	1,72,28,446	19,71,648
	5,94,60,484	**4,76,98,467**
	3,03,03,33,686	**3,42,12,94,920**

Revenue from sale of goods include excise duty of Rs. Nil (31 March 2018: Rs. 19,666,872).

2.19.1

Reconciliation of revenue from Sale of goods with the contracted price	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	2,96,45,90,772	3,36,45,24,389
Less : Trade discount, rebates etc	62,82,430	90,72,064
Net revenue recognized from contracts with customers	**2,97,08,73,202**	**3,37,35,96,453**

2.20 Other Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income	39,92,864	52,70,978
Dividend form quoted equity investments measured at fair value through OCI	42,372	10,920
Net gain on foreign currency transactions and translation	-	161,29,267
Profit on sale of assets (net)	16,83,340	2,14,974

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Net gain on cash flow hedges realised	-	2,34,50,854
Miscellaneous Income	34,44,648	7,99,643
	91,63,224	**4,58,76,636**

2.21 Cost of materials consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening Stock	17,46,53,425	26,60,03,907
Add: Purchases #	1,29,06,52,260	1,74,64,38,099
	1,46,53,05,685	**2,01,24,42,006**
Less: Closing Stock	16,38,42,759	17,46,53,425
	1,30,14,62,926	**1,83,77,88,581**

Disclosed based on derived figures

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

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Stock		
Finished Goods	18,02,03,036	105,807,183
Work-in-progress	26,68,92,570	233,100,731
	44,70,95,606	**338,907,914**
Less:		
Closing Stock		
Finished Goods	14,85,57,184	18,02,03,036
Work-in-progress	29,47,41,970	26,68,92,570
	44,32,99,154	**44,70,95,606**
	37,96,452	**(10,81,87,692)**

2.23 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and Wages	30,59,78,218	30,27,31,637
Contribution to Provident and Other Funds	3,44,59,090	3,10,59,347
Workmen and Staff Welfare Expenses	446,42,404	4,36,44,680
Less: Transfer to Research and Development expenditure (refer Note 2.25.1)	(1,17,45,470)	(85,18,687)
	37,33,34,242	**36,89,16,977**

2.24 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense	5,56,58,335	5,24,99,241
Other borrowing cost	2,60,49,323	79,71,750
	8,17,07,658	**6,04,70,991**

2.25 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of Stores, Spares and Consumables	9,50,52,662	7,57,57,983
Effluent Discharge Charges	1,94,26,572	1,57,87,204
Contract labour charges	1,88,74,922	1,94,44,696

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Packing materials Consumed	278,52,027	3,14,23,510
Research and Development Expenditure (See Note 2.25.1)	1,45,15,459	1,19,34,434
Power, Fuel, Water and Gas	42,09,65,165	40,91,59,541
Repairs		
- Building	1,18,96,967	2,18,95,336
- Plant & Machinery	9,47,94,630	9,66,47,642
- Others	4,02,54,326	4,47,50,034
Loading, Transportation and Other charges on products	7,01,34,625	8,87,78,829
Freight on Exports	2,28,11,162	1,17,81,779
Insurance	77,72,233	82,68,084
Rent	55,61,665	60,28,825
Rates and Taxes	89,57,709	4,27,50,313
Postage and Telephone	48,71,647	50,92,026
Printing & Stationery	19,04,328	22,77,731
Travelling and Conveyance	3,14,27,080	3,00,54,690
Director's sitting fee	11,30,400	12,11,327
Payments to the auditor (See Note 2.25.2)	30,40,635	21,63,826
Advertisement & Publicity	29,92,656	25,91,297
Professional & Consultancy charges	3,41,74,558	3,35,68,956
Bank Charges	53,08,286	66,22,946
Expenses on Corporate Social Responsibility activities (See Note 2.25.3)	53,04,618	43,50,000
Loss on assets sold/Written off (Net)	20,91,218	25,16,374
Security service charges	17,01,209	19,60,543
Provision for assets held for sale		122,71,364
Foreign exchange rate variation	1,84,63,833	-
Net loss on cash flow hedges realised	1,56,22,151	-
Miscellaneous Expenses	4,03,19,107	382,15,627
	1,02,72,21,850	**1,02,73,04,917**

2.25.1 Details of Research & Development Expenditure

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Revenue Expenditure charged to statement of Profit and Loss (Product Development / Engineering expenses)		
Salary and Allowances	1,17,45,470	85,18,687
Other Expenses (Net of recoveries)	27,69,989	34,15,747
	1,45,15,459	**1,19,34,434**
(b) Capital expenditure in relation to tangible fixed assets for Research & development facilities	32,99,135	29,11,997

2.25.2 Payments to the auditors

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit fees	20,87,500	16,70,000
Other services		
Taxation matters (including tax audit) #	4,02,920	2,72,177
Others	4,48,510	1,00,000
Reimbursement of expenses	1,01,705	1,21,649
	30,40,635	**21,63,826**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

includes amount paid to the tax auditor other than the statutory auditor

2.25.3 Details of expenses on Corporate Social Responsibility activities

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Gross amount required to be spent by the holding Company during the year	51,01,799	42,80,696
b. Amount spent during the year on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	53,04,618	43,50,000

2.26 Earnings per share (EPS) (basic and diluted)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Profit after tax attributable to equity shareholders	3,47,11,274	4,45,46,172
b) Weighted average number of shares outstanding	90,79,160	90,79,160
c) Nominal value of shares (Rs.)	10	10
d) Basic earning per share (Rs.)	**3.82**	**4.91**
e) Number of equity shares used to compute diluted earnings per share	90,79,160	90,79,160
f) Diluted earnings per share (Rs.)	**3.82**	**4.91**

2.27 Assets pledged as security

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
Current		
First charge		
Financial assets		
Trade receivables	63,46,82,782	61,46,72,845
Cash and Cash Equivalents	4,50,17,076	3,18,16,010
Other Bank balances	1,27,30,940	4,14,39,692
Other financial assets	3,37,20,868	1,25,02,263
Inventories	69,95,26,799	72,78,27,565
Other current assets	6,57,89,983	6,98,45,195
Total current assets pledged as securities	**1,49,14,68,448**	**1,49,81,03,570**
Non-current		
First charge		
Property, plant and equipment (PPE) and capital work in progress	1,25,42,00,320	1,23,11,50,242
Total non-current assets pledged as securities	**1,25,42,00,320**	**1,23,11,50,242**
Total assets pledged as security	**2,74,56,68,768**	**2,72,92,53,812**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.28 Related Party Transactions

A. Related parties and nature of relationship

i.	Nitta Gelatin Inc.	Enterprise having substantial interest in the Holding Company
ii.	Nitta Gelatin NA Inc.	Subsidiary of Nitta Gelatin Inc
iii.	Nitta Gelatin Canada Inc.	Subsidiary of Nitta Gelatin Inc
iv	K. T. Chandy Seiichi Nitta Foundation	Trust controlled by the Holding Company
v	Key Managerial Personnel	
	1. In case of Holding Company	
	Mr. Sajiv K. Menon	Managing Director
	Dr. Shinya Takahashi	Whole-time Director (w.e.f 17.04.2017)
	2. In case of Subsidiaries	
	Mr M.A.Xavier	Managing Director - Bamni Proteins Limited (upto 01.02.2018)
	Mr E.Kesavan	Managing Director - Bamni Proteins Limited (w.e.f 02.02.2018)
	3. Non-Executive Directors:	
	Dr. K. Ellangovan	
	Mr. Paul Antony	
	Dr. M. Beena	
	Mr. Sanjay M. Kaul	
	Mr. M T Binil Kumar	

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/ Trust controlled by the Company		Key Management Personnel		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Sale and Income						
1 Sale of Goods						
Nitta Gelatin Inc	81,47,73,257	118,65,09,905	-	-	81,47,73,257	1,18,65,09,905
Nitta Gelatin NA Inc	46,84,20,790	37,29,00,553			46,84,20,790	37,29,00,553
2 GSP duty refund received on exports to related party refunded by them						
Nitta Gelatin Inc	1,05,74,209	18,87,568	-	-	1, 05,74,209	18,87,568
Purchase and Expenses						
1 Commission expense:						
Nitta Gelatin Inc						
- For Sale of Gelatin	8,40,641	5,25,527	-	-	8,40,641	5,25,527
- For Sale of Peptide	99,470	2,54,125	-	-	99,470	2,54,125
2 Rebate/ Discount expense:						
Nitta Gelatin Inc	9,53,327	45,94,988	-	-	9,53,327	45,94,988
Nitta Gelatin NA Inc	63,189	4,01,939	-	-	63,189	4,01,939
3 Technical Assistance Fee:						
Nitta Gelatin Inc	41,03,895	31,70,200	-	-	41,03,895	31,70,200
4 Interest expense on External Commercial Borrowings						
Nitta Gelatin Inc	1,16,94,634	1,01,60,278	-	-	1,16,94,634	1,01,60,278
5 Reimbursement of Expenses (Net):						

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

	Nitta Gelatin Inc	9,29,253	3,38,761	-	-	9,29,253	3,38,761
6	Donations/Corporate Social Responsibility contribution						
	K.T.Chandy Seiichi Nitta Foundation (See Note 3.29.3)	44,26,431	44,28,758	-	-	44,26,431	44,28,758
7	Remuneration*						
	Mr. Sajiv K. Menon	-	-	1,54,74,636	1,49,77,536	1,54,74,636	1,49,77,536
	Dr. Shinya Takahashi	-	-	24,41,627	23,35,825	24,41,627	23,35,825
	Mr. E.Kesavan	-	-	32,53,084	5,27,549	32,53,084	5,27,549
	Mr. M A Xavier			-	26,96,888	-	26,96,888
8	Sitting fees						
	Dr. K. Ellangovan	-	-	36,000	-	36,000	-
	Mr. Paul Antony	-	-	-	54,000	-	54,000
	Dr. M. Beena	-	-	36,000	36,000	36,000	36,000
	Mr. Sanjay M. Kaul	-	-	18,000	-	18,000	-
	Mr. M T Binil Kumar	-	-	40,000	30,000	40,000	30,000
Dividend paid on equity shares							
	Nitta Gelatin Inc	97,50,750	97,50,750	-	-	97,50,750	97,50,750
Dividend on preference shares							
	Nitta Gelatin Inc	85,36,584	85,36,584	0	0	85,36,584	85,36,584

a) Does not include gratuity and compensated absences as these are provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be determined.

b) During the current year, the managerial remuneration paid to Directors is in excess of the limits laid down under section 197 of the Companies Act, 2013 by Rs. 60,99,436. The Company is in the process of obtaining approval from its shareholders as per the provisions of the Companies Act, 2013 for such excess remuneration amount. amount.

C. Balance Outstanding as at year end:

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/Trust controlled by the Company			Total		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
Receivables						
- Nitta Gelatin Inc	22,02,99,945	23,81,,60,613	15,18,81,926	22,02,99,945	23,81,60,613	15,18,81,926
- Nitta Gelatin NA Inc	15,14,98,790	12,94,85,555	13,03,25,559	15,14,98,790	12,94,85,555	13,03,25,559
Payables						
- Nitta Gelatin Inc						
Term loan	12,85,20,380	12,67,82,374	12,15,39,820	12,85,20,380	12,67,82,374	12,15,39,820
Other payables	76,30,903	46,63,318	84,39,297	76,30,903	46,63,318	84,39,297
Trade Advance	8,95,88,081	4,93,62,233	1,14,03,408	8,95,88,081	4,93,62,233	1,14,03,408
- Nitta Gelatin NA Inc						
Other payables	9,55,113	25,82,500	4,57,034	9,55,113	25,82,500	4,57,034

D. Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Group is required to use certain specified methods in assessing that the transactions with the related parties, are carried out at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length prices. The Group is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2019. In opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.29 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment. Entity-wide disclosure as required by Ind AS 108 “Operating segment are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sales of products	2,97,08,73,202	3,37,35,96,453
	2,97,08,73,202	**3,37,35,96,453**

(ii) Revenues from external customers attributed to the Company’s country of domicile and attributed to all foreign countries from which the Group derives revenues:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	1,53,54,70,157	1,73,09,57,230
Outside India	1,43,54,03,045	1,64,26,39,223
	2,97,08,73,202	**3,37,35,96,453**

(iii) Non-current assets (other than financial instruments, non-current tax and deferred tax assets) located in the Company’s country of domicile and in all foreign countries in which the Group holds assets:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	1,39,21,27,530	1,35,43,09,187
Outside India	-	-
	1,39,21,27,530	**1,35,43,09,187**

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group’s revenues from product sale:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from top customer	81,47,73,256	1,18,65,09,905
Revenue from customers contributing 10% or more to the Group’s revenues from product sale	1,75,21,73,146	2,21,44,37,958

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.30 Provisions and Contingent liabilities

2.30.1 Provisions

Nature of Provision	Balance as at 1st April 2018	Additional Provision during the year	Amounts used/ changed during the year	Unused amounts reversed	As at 31 March 2019
Provision for Central Excise Duty	132,29,289	-	-	-	1,32,29,289
(See Note 2.30.1 (i))	(1,32,29,289)	-	-	-	(1,32,29,289)
Provision for Central Sales Tax	28,74,385	-	-	-	28,74,385
(See Note 2.30.1(ii))	(28,74,385)	-	-	-	(28,74,385)
Provision for Entry Tax	11,00,494	-	11,00,494	-	-
(See Note 2.30.1(iii))	(11,00,494)	-	-	-	(11,00,494)
Provision for Water Cess	61,83,200	-	-	-	61,83,200
(See Note 2.30.2(iv))	(61,83,200)	-	-	-	(61,83,200)

2.30.1(i). Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to Rs. 3,50,74,543 (31st March , 2018 Rs. 3,50,74,543) which has been disputed by the company. Though no demand has been raised by the department, based on legal advice received, the company has created a provision of Rs. 1,32,29,289 (31st March, 2018 Rs 1,32,29,289) as a matter of abundant caution and the balance amount of Rs. 2,18,45,254 (31st March, 2018 Rs 2,18,45,254) has been disclosed as a contingent liability.

2.30.1(ii). The Central Sales Tax authorities had raised demand on assessment for an earlier year amounting to Rs 2,874,385 (31st March, 2018 Rs 28,74,385) which has been disputed in appeal. Though the management is of the opinion that these demands are not fully sustainable, provision has been created in the accounts for the aforesaid amount as a matter of abundant caution.

2.30.1 (iii). The Sales Tax authorities had raised demand for entry tax on furnace oil for an amount of Rs. 22,00,998 in an earlier year and was under appeal. Against the demand an amount of Rs 11,00,494 was deposited under protest and later a provision of equivalent amount was created for the doubtful deposit. The Supreme Court has held that levy of entry tax on furnace oil is valid constitutionally and the company has settled the balance amount of Rs. 11,00,494 during the year.

2.30.2 Contingent Liabilities not provided for:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
1. Claims against the Company not acknowledged as debts:			
a. Income Tax (See Note 2.30.2(i))	1,34,96,340	3,27,42,852	277,98,822
b. Sales Tax (See Note 2.30.2(ii))	7,83,94,296	52,98,761	348,88,363
c. Excise Duty (See Note 2.30.1(i) and 2.30.2.(iii))	2,99,46,401	2,96,08,151	292,69,900
d. Water Cess (See Note 2.30.2(iv))	6,53,01,200	6,53,01,200	653,01,200
e. Customs Duty (See Note 2.30.2(v))	19,68,35,881	19,68,35,881	-
2. Counter guarantee issued in favour of bankers	59,61,540	1,74,64,808	1,08,40,610

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3. Counter Guarantee issued in favour of Subsidiary Company			
Bamni Proteins Ltd. - Amount outstanding	6,98,70,620	-	
Amount of Guarantee 75,000,000 (31st March 2018 - Nil)			
	45,98,06,278	**34,72,51,653**	**16,80,98,895**

2.30.2 (i) The Income Tax department has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the first appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

The Company has received tax orders from the Income tax authorities reducing brought forward losses (including unabsorbed depreciation) amounting to Rs. 82,35,581 (31 March 2018: Rs. 82,35,581), primarily on denial of certain expenditure upon completion of tax assessment for the assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. Further, the Company has received tax orders from the transfer pricing authorities reducing brought forward losses (including unabsorbed depreciation) amounting to Rs. 5,12,06,777 (31 March 2018: Rs. 5,12,06,777), primarily on transfer pricing adjustments upon completion of tax assessment for assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. The Company is contesting these litigations and the management believes that its position will be likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently no provision has been created in the financial statements for the above.

2.30.2 (ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to Rs. 7,83,94,296 (31 March 2018: Rs. 52,98,761) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Company on appeal. Based on legal advice, no provision is considered necessary towards the said demands and the amount involved is disclosed as contingent liability.

2.30.2 (iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the Company and towards cenvat credits availed aggregating to Rs. 12,93,274 (31 March 2018: Rs. 12,93,274) which have been disputed by the company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed aggregating to Rs. 68,07,873 (31 March 2018: Rs. 64,69,623), which have been represented before adjudicating authorities. In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

2.30.2 (iv)During an earlier year, an amount of Rs 7,14,84,000 was demanded as water cess for extraction of river water for industrial use during the period from 01.04.1979 to 31.12.2010, in accordance with a Government Order issued on 25.07.2009. The company had been legally advised that the demands may not be fully sustainable in law and had filed a writ petition before the Honourable High Court of Kerala against the proceedings, which is pending.

The company had also made a representation to the Secretary (Water Resources), Government of Kerala which is pending consideration of the Government. Pursuant to discussions with Government authorities, the company had entered into an agreement for payment of such charges for the periods subsequent to 01.01.2011. Further, a provision of Rs 61,83,200 towards disputed charges for the period from 25.07.2009 to 31.12.2010, being periods subsequent to issue of the Government Order, was made in the accounts in the previous year as a matter of prudence.

In the opinion of the management, having regard to the legal advice, no provision is considered necessary for charges for periods from 01.04.1979 to 24.07.2009 amounting to Rs 65,301,200, being periods prior to the issue of the Government Order which has been disclosed as contingent liability.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.30.2 (v) The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the Company. During the previous year, the Commissioner of Customs had issued an order confirming demand of Rs. 8,77,14,969 along with a penalty of Rs. 10,91,20,912. The Company has filed appeal before the appellate authorities which is pending for disposal at this stage. As per the independent legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the appellate proceedings are pending for adjudication and hence no provision is considered necessary at this stage.

2.31 Estimated amount of contracts remaining to be executed on capital account:

a. Company - Rs. 1,46,65,259 (31st March 2018 Rs. 97,80,290)

b. Bamni Proteins Limited (Subsidiary) - Rs. Nil (Rs. Nil)

2.32 a. In respect of Capital Goods imported at concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately Rs. 18,00,000 (31st March, 2018 Rs. 17,00,000) which is required to be fulfilled at different dates until 2020. In the event of non fulfillment of the export obligation, the Company will be liable for the Customs duties and penalties as applicable.

b. In respect of Raw materials imported at concessional rate of Rs. 6,66,20,000 (31st March, 2018 Rs. 6,27,70,000) which is required to be fulfilled at different dates until 2016. In the event of non fulfillment of the export obligation, the Company will be liable for the Customs duties and penalties as applicable.

The DGFT is not considering the company's application for the extension of time for the fulfilment of export obligation, due to dispute on classification of the imported raw material as mentioned in note 2.30.2(v) above. Since the Company's dispute on classification / reassessment of the raw material is pending for adjudication before the appellate tribunal and the company is hopeful of a favourable decision based on legal opinion received, no provision is considered necessary at this stage.

2.33 In the opinion of the Management, Current Financial Assets and Other Current Assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

2.34 Disclosure with respect to operating leases

The lease expenses for non-cancellable operating leases during the year ended 31 March 2019 is Rs. 55,61,665 (31 March 2018 Rs. 60,28,825)

The Group's significant leasing arrangements in respect of operating leases for office premises, which includes both cancellable and non cancellable leases generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under note 2.25 to the financial statements.

2.35 Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Long term borrowings	33,86,28,828	37,65,45,017	43,16,64,347
Current maturities of long term borrowings	5,83,25,751	6,59,82,814	5,21,13,399
Short term borrowings	68,25,44,873	59,32,36,597	63,69,46,735
Trade payables	21,64,18,567	25,23,89,001	22,51,91,739
Less: Cash and cash equivalents	(4,50,17,076)	(3,18,16,010)	(3,67,25,248)
Less: Bank balances other than cash and cash equivalents	(1,27,30,940)	(4,14,39,692)	(11,29,70,922)
Net debt	**1,23,81,70,003**	**1,21,48,97,727**	**1,19,62,20,050**
Equity	9,07,91,600	9,07,91,600	9,07,91,600
Other Equity	1,41,48,05,680	1,39,46,86,069	1,39,53,53,855
Capital and net debt	**2,74,37,67,283**	**2,70,03,75,396**	**2,68,23,65,505**
Gearing ratio	**45.13%**	**44.99%**	**44.60%**

2.36 Income Tax

The major components of income tax expense are:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax:		
Current income tax charge	3,41,30,000	280,89,486
Minimum Alternate tax	-	(278,00,000)
Relating to the origination and reversal of temporary differences	(1,00,55,985)	725,36,634
Income tax expense reported in Statement of Profit and Loss	**2,40,74,015**	**728,26,120**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(4,69,950)	(21,30,947)
Income tax relating to measurement of financial assets through OCI	61,639	(11,413)
Income tax relating to gain on cash flow hedges	71,45,820	(17,82,243)
	67,37,509	**(39,24,603)**
Reconciliation of deferred tax (net)	**As at 31 March 2019**	**As at 31 March 2018**
Opening balance	2,15,09,241	(471,02,791)
Tax credit/ (expense) during the year recognized in statement of profit and loss	(1,00,55,985)	725,36,634
Tax expense during the year recognised in OCI	67,37,509	(39,24,603)
MAT credit utilisation	21,84,484	-
Closing balance	**2,03,75,249**	**2,15,09,241**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before tax and exceptional item	7,32,96,576	11,88,28,549
Tax on accounting profit at statutory income tax rate of 33.384% (previous year 34.608%)	2,44,69,329	4,11,24,184
Tax effects of:		
Non deductible expenses	24,92,162	21,21,879
Tax incentives and exempt income	(39,76,639)	(39,28,141)
Tax effect of change in tax rates	10,56,886	4,32,150
Assets taken over pursuant to merger	-	3,47,06,144
On deduction claimed in earlier year	-	42,87,670
Different tax rates in the component	(49,70,876)	(8,08,620)
Inter company elimination of profits	22,12,899	-
Income tax of earlier years	-	(22,90,517)
MAT credit entitlement	-	(21,84,484)
Others	27,90,254	(6,34,145)
Tax expense recognized in the Statement of Profit and Loss	**2,40,74,015**	**7,28,26,120**

2.37 A. Defined benefit plan

The Group has gratuity fund for its employees. The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2019 and 31 March 2018 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements :

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	84,164,168	7,87,91,344
	Fair value of plan assets as at the end of the year	(8,36,84,597)	(7,39,17,058)
	Net liability recognized in the Balance Sheet	**4,79,571**	**48,74,286**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	7,87,91,344	6,74,99,488
	Service cost	54,06,764	50,30,311
	Interest cost	62,57,855	52,51,097
	Actuarial losses/(gains) arising from		
	- change in demographic assumptions		
	- change in financial assumptions	15,08,112	64,34,714
	- experience variance (i.e. Actual experiences assumptions)		
	Benefits paid	(77,99,907)	(54,24,266)
	Defined benefit obligation as at the end of the year	**8,41,64,168**	**7,87,91,344**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	7,39,17,058	6,70,21,950
	Return on plan assets	59,13,363	53,61,755
	Actuarial (losses)/gains	(47,31,816)	(46,26,755)
	Contributions	1,63,85,899	1,14,87,491
	Benefits paid	(77,99,907)	(53,27,383)
	Fair value as at the end of the year	8,36,84,597	7,39,17,058
	Non-current	4,79,571	48,74,286
	Current	-	-
	Assumptions used in the above valuations are as under:		
	Discount rate	7.50%	7.50%
	Expected rate of increase in compensation level	5.00%	5.00%
	Expected rate of return on plan assets	8.00%	8.00%
	Superannuation age	58	58
	Mortality	Indian Assured Lives Mortality [1994-96] Ultimate	
4	**Net gratuity cost for the year ended 31 March 2019 and 31 March 2018 comprises of following components.**		
	Service cost	54,06,764	50,30,311
	Net interest cost on the net defined benefit liability	50,76,308	45,16,097
	Components of defined benefit costs recognized in Statement of Profit and Loss	**1,04,83,072**	**95,46,408**
5	**Other Comprehensive Income**		
	Change in financial assumptions	(15,08,112)	(64,34,714)
	Change in demographic assumptions	**-**	**-**
	Components of defined benefit costs recognized in other comprehensive income	**(15,08,112)**	**(64,34,714)**
6	**Experience adjustments**		
	Defined benefit obligation as at the end of the year	8,41,64,168	7,87,91,344
	Plan assets	8,36,84,597	7,39,17,058
	Surplus/(deficit)	4,79,571	48,74,286
	Experience adjustments on plan liabilities	-	-
	Experience adjustments on plan assets	**(47,31,816)**	**(46,26,755)**

B. Defined contribution plan

The Group provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 2,85,03,746 (31st March 2018 Rs. 2,50,23,467) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

C. Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Gratuity

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	7,65,02,904	9,31,88,912	7,15,03,221	8,73,80,457
Salary Growth Rate (- / + 1%)	9,24,60,810	7,69,88,822	8,66,95,774	7,19,55,585
Attrition rate (- / + 1%)	8,42,51,330	8,40,78,560	7,83,77,807	7,87,29,123

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

(All amounts in ₹, unless otherwise stated)

D. Long Term Employee Benefits

Compensated absences (Vesting and Non Vesting): Unfunded Obligation

The following tables set out the funded status of Compensated absences (Vesting and Non Vesting) and the amount recognized in Company's financial statements :

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	3,52,68,539	327,17,750
	Fair value of plan assets as at the end of the year	(1,00,00,000)	-
	Net liability recognized in the Balance Sheet	**252,68,539**	**327,17,750**
2	**Changes in the present value obligation**		
	Present value of obligation at the beginning of the year	3,27,17,750	2,75,07,624
	Service cost	1,27,65,973	1,21,87,536
	Interest cost	29,43,077	25,20,103
	Actuarial gains arising from	(66,72,567)	(33,32,626)
	Benefits paid	(64,85,694)	(61,64,887)
	Defined benefit obligation as at the end of the year	**3,52,68,539**	**3,27,17,750**
	Assumptions used in the above valuations are as under:		
	Discount rate	7.50%	7.50%
	Salary increase	5.00%	5.00%
	Mortality	Indian Assured Lives Mortality[1994-96] Ultimate	

Net Liability recognized in the Balance Sheet as at year end	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of obligation at the end of the year	3,52,68,539	3,27,17,750	2,75,07,624	3,98,92,849	3,84,96,787
Fair value of plan assets at the end of the year	(1,00,00,000)	-	-	-	-
Net present value of funded obligation recognized as liability in the Balance Sheet	2,52,68,539	3,27,17,750	2,75,07,624	3,98,92,849	3,84,96,787

Expenses recognized in the Statement of Profit and Loss	Year ended 31 March 2019	Year ended 31 March 2018
Current Service Cost	1,27,65,973	1,21,87,536
Interest Cost	29,43,077	25,20,103
Actuarial gain recognized in the period	(66,72,567)	(33,32,626)
Past Service Cost (if applicable)	-	-
Total expenses recognized in the Statement of Profit and Loss for the year	**90,36,483**	**1,13,75,013**

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(All amounts in ₹, unless otherwise stated)

2.38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	2.3	-	-	92,38,737
Cash and cash equivalents	2.9	4,50,17,076	-	
Bank balances other than cash and cash equivalents	2.10	1,27,30,940	-	-
Trade receivable	2.8	63,46,82,782	-	-
Loans	2.4	37,95,344	-	-
Other financial assets	2.5			-
Security Deposits		4,18,77,971	-	
Balances with bank - deposit accounts		23,01,019		
Year marked balances with banks for unpaid dividend		15,82,515		
Advances recoverable in cash or in kind		81,60,845	-	-
Hedge asset		-	2,34,36,580	-
Interest receivable		12,71,499	-	-
Others		5,29,598	-	-
				-
Total		**75,19,49,589**	**2,34,36,580**	**92,38,737**
Liabilities:				
Borrowings	2.13	1,02,11,73,702	-	
Trade payable	2.15	21,64,18,567	-	-
Other financial liabilities	2.16			-
Current maturities of long term borrowings		5,83,25,751	-	
Unpaid Dividend		15,82,515	-	-
Interest accrued and due on borrowings		37,51,692	-	-
Interest accrued but not due on borrowings		3,72,011	-	-
Creditors for capital goods		16,53,117	-	-
Employee related liabilities		2,68,41,412		
Others		25,35,244	-	-
Total		**1,33,26,54,010**	**-**	**-**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

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

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	2.3	-	-	89,42,395
Cash and cash equivalents	2.9	3,18,16,010	-	-
Bank balances other than cash and cash equivalents	2.10	4,14,39,692	-	-
Trade receivable	2.8	61,46,72,845	-	-
Loans	2.4	8,41,292	-	-
Other financial assets	2.5			
Security Deposits		3,34,47,196	-	-
Balances with bank - deposit accounts		11,48,324	-	-
Year marked balances with banks for unpaid dividend		15,27,630	-	-
Advances recoverable in cash or in kind		74,90,639	-	-
Hedge asset		-	23,88,750	-
Interest receivable		11,83,545	-	-
Others		10,28,140	-	-
Total		**73,45,95,313**	**23,88,750**	**89,42,395**
Liabilities:				
Borrowings	2.13	96,97,81,614	-	-
Trade payable	2.15	25,23,89,001	-	-
Other financial liabilities	2.16			
Current maturities of long term borrowings		6,59,82,814	-	-
Unpaid Dividend		15,27,630	-	-
Interest accrued and due on borrowings		5,29,123	-	-
Interest accrued but not due on borrowings		3,58,914	-	-
Creditors for capital goods		6,54,217	-	-
Employee related liabilities		2,49,39,545	-	-
Others		18,43,933	-	-
Total		**1,31,80,06,791**	**-**	**-**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as of 01 April 2017 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	2.3		-	89,97,797
Cash and cash equivalents	2.9	3,67,25,248	-	-
Bank balances other than cash and cash equivalents	2.10	11,29,70,922	-	-
Trade receivable	2.8	52,43,31,662	-	-
Loans	2.4	6,30,953	-	-
Other financial assets	2.5		-	-
Security Deposits		3,21,32,179	-	-
Balances with bank - deposit accounts		22,96,427	-	-
Year marked balances with banks for unpaid dividend		16,13,259	-	-
Advances recoverable in cash or in kind		83,47,777	-	-
Hedge asset		-	542,10,115	-
Interest receivable		11,61,162	-	-
Others		11,61,175	-	-
Total		**7213,70,764**	**542,10,115**	**89,97,797**
Liabilities:				
Borrowings	2.13	1,06,86,11,082	-	-
Trade payable	2.15	22,51,91,739	-	-
Other financial liabilities	2.16		-	-
Current maturities of long term borrowings		5,21,13,399		
Unpaid Dividend		16,13,259	-	-
Interest accrued and due on borrowings		18,88,515	-	-
Interest accrued but not due on borrowings		3,51,929	-	-
Creditors for capital goods		83,87,265	-	-
Employee related liabilities		2,15,66,369	-	-
Others - Recoveries Payable		20,10,239	-	-
Total		**1,38,17,33,796**	**-**	**-**

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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.

a) **Assets and liabilities measured at fair value - recurring fair value measurement**

As at 31 March 2019	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Non current investments	2.3	13,48,737	-	78,90,000	92,38,737
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.50	-	2,34,36,580	-	2,34,36,580

As at 31 March 2018	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Non current investments	2.3	10,52,395	-	78,90,000	89,42,395
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.5	-	23,88,750	-	23,88,750

As at 01 April 2017	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Non current investments	2.3	11,07,797	-	78,90,000	89,97,797
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.5	-	542,10,115	-	542,10,115

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by "Foreign Exchange Dealers' Association of India for revaluation of balance in forward contracts as on the reporting dates.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.

- the fair value of foreign exchange forward contracts is determined using market observable

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.

- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

2.39 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group is foreign exchange exposure risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group'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. Long-term financial investments are managed to generate lasting returns.

The Group 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 analysis

Credit risk is the risk that a counter party fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade receivable	63,46,82,782	61,46,72,845	52,43,31,662
Loans to employees	37,95,344	8,41,292	6,30,953
Security deposit	4,18,77,971	3,34,47,196	3,21,32,179
Balances with Bank - Deposit Accounts	23,01,019	11,48,324	22,96,427
Earmarked balances with banks for unpaid dividend	15,82,515	15,27,630	16,13,259
Advances recoverable in cash or in kind	81,60,845	74,90,639	83,47,777
Hedge asset	2,34,36,580	23,88,750	5,42,10,115
Interest receivable	12,71,499	11,83,545	11,61,162
Investments	92,38,737	89,42,395	89,97,797
Cash and cash equivalents	4,50,17,076	3,18,16,010	3,67,25,248
Other bank balances	1,27,30,940	4,14,39,692	11,29,70,922
Others	5,29,598	10,28,140	11,61,175
	78,46,24,906	**74,59,26,458**	**78,45,78,676**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, USA, Japan and Europe. Credit risk has always been managed by the Group 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 Group uses expected

(All amounts in ₹, unless otherwise stated)

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 and Group's historical experience for customers.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning	54,23,785	49,25,492	46,31,352
Impairment loss recognised		4,98,293	2,94,140
Impairment loss reversed	(9,18,592)	-	-
Balance at the end	**45,05,193**	**54,23,785**	**49,25,492**

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counter parties are reputable banks with high quality external credit ratings

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 March 2019, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of Financial Liabilities

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	68,25,44,873	30,46,53,778	3,39,75,050	1,02,11,73,701
Trade payable	21,64,18,567	-	-	21,64,18,567
Other financial liabilities	9,50,61,742	-	-	9,50,61,742
Total	**99,40,25,182**	**30,46,53,778**	**3,39,75,050**	**1,33,26,54,010**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

As at 31 March 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	5932,36,597	3425,69,967	339,75,050	9697,81,614
Trade payable	2523,89,001	-	-	2523,89,001
Other financial liabilities	958,36,176	-	-	958,36,176
Total	**94,14,61,774**	**34,25,69,967**	**3,39,75,050**	**1,31,80,06,791**

As at 1 April 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	63,69,46,735	15,61,30,430	27,55,33,917	1,06,86,11,082
Trade payable	22,51,91,739	-	-	22,51,91,739
Other financial liabilities	8,79,30,975	-	-	8,79,30,975
Total	**95,00,69,449**	**15,61,30,430**	**27,55,33,917**	**1,38,17,33,796**

(C) Market risk

The Group 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 exchange risk

The Group operates internationally and a significant portion of the business is transacted in USD, JPY and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. 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 Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

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

Particulars		As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
Included In	**Currency**	**Amount in foreign currency**	**Amount in ₹**	**Amount in foreign currency**	**Amount in ₹**	**Amount in foreign currency**	**Amount in ₹**
Financial assets							
Trade receivables	USD	54,09,519	37,17,96,241	20,17,414	13,05,26,648	8,09,864	5,21,55,267
	EURO			6,600	5,24,172	1,73,000	1,18,38,390
Financial liabilities							
Trade payables	USD	74,051	51,56,171	1,29,508	84,95,695	1,76,660	115,35,903
	EURO	-	-	6,094	4,94,703	6,050	4,23,681
	Japanese YEN	13,95,738	8,83,502	22,12,707	13,67,453	27,41,730	16,20,467
Non current borrowings	USD	92,254	64,23,639	4,87,280	3,19,65,568	8,82,275	5,76,12,558
Current Borrowings	USD	79,75,865	55,53,59,159	90,29,848	59,14,63,759	94,08,258	61,39,47,205

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Conversion rates	Financial Assets		Financial Liabilities		
	USD	EUR	USD	EUR	JPY
As at 31 March 2019	68.73	76.63	69.63	78.68	0.63
As at 31 March 2018	64.70	79.42	65.60	81.18	0.62
As at 1 April 2017	64.40	68.43	65.30	70.03	0.59

Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the Rupee 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 Rupee strengthens 1% against the relevant currency. For a 1% weakening of Rupee against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase 31 March 2019	Decrease 31 March 2019	Increase 31 March 2018	Decrease 31 March 2018
Sensitivity				
INR/USD	(18,78,151)	18,78,151	(49,36,107)	49,36,107
INR/EURO	-	-	402	(402)
INR/YEN	(8,793)	8,793	(13,719)	13,719

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2019	31 March 2018	1 April 2017
Forward Contracts			
In USD	125,26,000	39,00,000	120,00,000

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	31 March 2019	31 March 2018	1 April 2017
Not later than one month	11,70,000	12,00,000	12,00,000
Later than one month and not later than three months	25,64,000	12,00,000	36,00,000
Later than three months and not later than a year	87,92,000	15,00,000	72,00,000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

C2 Interest rate risk

(i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Variable rate borrowing	39,69,54,579	44,25,27,831	48,37,77,746
Fixed rate borrowing	-	-	-
Total borrowings	**39,69,54,579**	**44,25,27,831**	**48,37,77,746**
Amount disclosed under other current financial liabilities	**5,83,25,751**	**6,59,82,814**	**5,21,13,399**
Amount disclosed under borrowings	**33,86,28,828**	**37,65,45,017**	**43,16,64,347**

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2019	31 March 2018	1st April 2017
Interest sensitivity			
Interest rates – increase by 100 basis points (100 bps)	39,69,546	44,25,278	48,37,777
Interest rates – decrease by 100 basis points (100 bps)	(39,69,546)	(44,25,278)	(48,37,777)

(ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.40 Disclosure of Additional Information pertaining to the parent Company & Subsidiaries as per Schedule III of the Companies Act, 2013

31 March 2019

Name of the company	Net assets (Total assets- total liability)		Share in profit / (Loss)		Share in other comprehenssive income		Share in total comprehensive income	
	As a % of consolidated Net Assets	Amount	As a % of consolidated Profit/ (Loss)	Amount	As a % of consolidated Comprehensive income	Amount	As a % of consolidated total Comprehensive income	Amount
Parent company								
Nitta Gelatin India Ltd	93%	1,42,53,93,884	-54%	(2,63,65,741)	86%	1,12,47,584	-24%	(1,51,18,157)
Subsidiary company- Indian								
Bamni Proteins Ltd	10%	14,79,42,641	167%	8,22,16,924	14%	18,50,969	135%	8,40,67,893
Consolidation adjustments	-3%	(4,16,29,056)	-13%	(66,28,622)	0%	(2)	-11%	(66,28,624)
Total	**100%**	**1,53,17,07,469**	**100%**	**4,92,22,561**	**100%**	**1,30,98,551**	**100%**	**6,23,21,112**
Minority interests in subsidiary	2%	2,61,10,189	29%	1,45,11,287	2%	3,26,696	24%	1,48,37,983

31 March 2018

Name of the company	Net assets (Total assets- total liability)		Share in profit / (Loss)		Share in other comprehenssive income		Share in total comprehensive income	
	As a % of consolidated Net Assets	Amount	As a % of consolidated Profit/ (Loss)	Amount	As a % of consolidated Comprehensive income	Amount	As a % of consolidated total Comprehensive income	Amount
Parent company								
Nitta Gelatin India Ltd	98%	1,46,78,75,561	82%	3,77,51,678	93%	(71,80,208)	80%	3,05,71,470
Subsidiary company- Indian								
Bamni Proteins Ltd	4%	6,38,74,748	18%	82,50,748	7%	(5,35,105)	20%	77,15,643
Consolidation adjustments	-2%	(3,50,00,434)	0%	3	0%	0	0%	3
Total	**100%**	**1,49,67,49,875**	**100%**	**4,60,02,429**	**100%**	**(77,15,313)**	**100%**	**3,82,87,116**
Minority interests in subsidiary	1%	1,12,72,206	3%	14,56,257	1%	(94,446)	4%	13,61,811

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

2.41 Business Combinations

Pursuant to the Scheme of Merger and Amalgamation (the 'Scheme') under Section 230-232 of the Companies Act, 2013 duly approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide order dated 27 March 2019, erstwhile subsidiary company, M/s Reva Proteins Limited ('the Transferor Company') have merged with the Company with effect from 1 April 2017. Accordingly, all the assets, liabilities of Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date.

The scheme has been accounted for using the pooling of interests method as prescribed under the scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations from the Appointed date.

Accordingly, the comparative accounting period presented in the standalone financial statements of the Company has been restated to take the accounting impact of the merger, hence are not comparable with the previously published standalone financial statements for the year ended 31 March 2018. The financial information of the transferor Company for the year ended 31st March 2018, included in the comparative accounting period pursuant to merger were audited by another firm of Chartered Accountants, who expressed an unmodified opinion on those financial statements vide their audit report dated 3 May 2018.

The scheme provides for issuance of 44,44,444 nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company, which is currently pending for allotment.

The difference between the consideration and the value of net identifiable assets taken over as of 1 April 2017 amounting to Rs. 27,50,61,957 is treated as Capital Reserve and shown separately under the head "Other equity".

2.42 Events after the Balance sheet date

The Board of Directors have recommended a final dividend of Rs. 1.50 per share to be paid on equity shares of Rs. 10/- each. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. The payment of this dividend is estimated to result in payment of dividend distribution tax of Rs 27,99,373/-.

2.43 The Consolidated Financial Statements are approved for issue by the Holding Company's Board of Directors on 9th May 2019.

This is the summary of accounting policies and other explanatory information referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co. LLP**
Chartered Accountants

Krishnakumar Ananthasivan
Partner

Place: Kochi
Date: 09.05.2019

DR. K. ELLANGOVAN IAS
Chairman
DIN : 05272476

DR. SHARMILA MARY JOSEPH IAS
Director
DIN : 07974964

SAJIV K. MENON
Managing Director
DIN : 00168228

RADHA UNNI
Director
DIN : 03242769

A. K. NAIR
Director
DIN : 00009148

DR. K. CHERIAN VARGHESE
Director
DIN : 01870530

E NANDAKUMAR
Director
DIN : 01802428

DR. SHINYA TAKAHASHI
Director
DIN: 07809828

SAHASRANAMAN P.
Chief Financial Officer

G. RAJESH KURUP
Company Secretary

ATTENDANCE SLIP

NITTA GELATIN INDIA LIMITED

(CIN : L24299KL1975PLC002691)

Registered Office : 54/1446, Panampilly Nagar, Kochi - 682 036,
Tel : 0484 - 3099444, Fax : +91 484 210568,

Web : www.gelatin.in, email : ro@nittagelindia.com

PLEASE HAND OVER THE ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL, DULY COMPLETED

Name and Address :

Folio No./DP ID & Client ID **Holding**

Member ______ **Proxy** ______

I hereby record my presence at the FOURTY THIRD ANNUAL GENERAL MEETING

SIGNATURE OF THE SHAREHOLDER / PROXY ______

Note:

1. The Proxy form duly completed, is to reach the Registred Office of the company not less than 48 hours before the time for holding the meeting. A member entitiled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Members attending the Annual General Meeting are requested to bring with them the following:

a. Copy of the Annual Report and Notice as no copies thereof would be distributed at the meeting.

b. The attendance slip duly completed and signed in terms of specimen signature lodged with the company. The company would accept only the attendance slip from a member actually attending the meeting or from the person attending as a duly registred proxy. Attendance slip of members not personally present at the meeting or relating to proxies which are invalid, will not be accepted from any other member/person. Please avoid being accompanied by non members.

3. As per Section 118 (10) of the Companies Act, 2013 (The Act) read with section 121 of the Act and Rule 31 (c) (V) of the Companies (Management and Administration) Rules, 2014, 'No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting"

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN	:	L24299KL1975PLC002691
Name of the company	:	Nitta Gelatin India Ltd
Registered office	:	54/1446, Panampilly Nagar, Kochi - 682036

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name: ....

Address: ....

E-mail Id: ....

Signature:.., or failing him

2. Name: ....

Address: ....

E-mail Id: ....

Signature:..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the company, to be held on Friday the 02nd day of August 2019 At 12.00 noon at Kerala Fine Arts Hall, Fine Arts Avenue, Pallimukku, Cochin - 682 016 and at any adjournment thereof in respect of such resolutions as are indicated below: (✓)

Resolution Item No.

1......................................	5......................................	9......................................
2......................................	6......................................	
3......................................	7......................................	
4......................................	8......................................	

Signed this........ day of......... 20....

Signature of shareholder :

Signature of Proxy holder(s) :

Affix One Rupee Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Awards & Accolades

1st Prize winners in CII Kaizen Competition for Industries from South India (Medium Scale-Operator category) with Mr. Koichi Ogata, Mr. Naotoshi Umeno-Directors, Mr. Sajiv K. Menon-Managing Director and others at NGIL Office Kaizen Theme: Breakdown reduction in Acid bath in Ossein Division.

The Company Business Excellence (BE) received "Silver Category Recognition" based on the last assessment score done in March 2018, from Confederation of Indian Industries (CII)

CII EHS Award- Three Star Certification for Ossein Division

Ossein Division of the Company won the third Prize for the 5S competition conducted by South Indian Industries.

Daily dose of 2 spoons Keeps Knee Pain away !

Bioactive
Collagen Peptides
+ Vitamin C

Available in Orange & Vanilla flavours

The 3-month* wonder ROUTINE with CollagenPep.

GELIXER®
CollagenPep™
For Healthy Joints

*For best results, take CollagenPep daily for 3 months @ 2 jars per month
This is based on Independent studies. Product's result may vary from person to person

- CollagenPep contains Collagen - A proven supplement for joint pain the world over
- CollagenPep helps rebuild cartilage, helps reduce knee & joint pain and improves mobility
- CollagenPep is clinically tested
- Collagen Pep is safe for people with diabetes or high cholesterol

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(Promoted by KSIDC - A Kerala Govt. Undertaking and Nitta Gelatin Inc., JAPAN)

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