Nitta Gelatin India Limited
(Formerly Kerala Chemicals and Proteins Limited)
Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc

Post Box 4262
56/715 SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 2864400, 2317805
Fax : 0484 2310568
Email : ro@nittagelindia.com

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkanad
Cochin - 682 042 India
Tel : 0484 2869300, 2869500
Fax : 0484 2415504
Email : gd@nittagelindia.com

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 2749300, 2719598
Email : od@nittagelindia.com

CIN L24299KL1975PLC002691

Website : www.gelatin.in

13.07.2020

THE BSE LTD,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai- 400 001
Phone: (22) 22721233
Fax: 91 -22- 22721919

Dear Sir(s),

Scrip Code: 506532
Sub: Annual Report 2019-20

In pursuance of prescription of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submit Annual Report of our Company alongwith the Notice of Annual General Meeting for the financial year 2019-20.

Kindly take this into record.

Thanking you,
Yours faithfully

For Nitta Gelatin India Limited

G. RAJESH KURUP
Company Secretary

NITTA GELATIN INDIA LIMITED KOCHI

CII Kaizen Competition first & second prize in operator category and first prize in supervisor category

Second Prize in 2019 for CII Southern region 5S Competition

CSR Award from National Institute of Personnel Management

National CSR Leadership Award from Zee Business

Award in the Environment & Greenery category from KMA

Indian Users of SAP Ace Award

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Nitta Gelatin India Limited

www.gelatin.in

Nitta Gelatin India Limited

Message from

Koichi Ogata

President,
Nitta Gelatin Inc.
Osaka, Japan

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

Dear Shareholders,

I am communicating to you during a period when the whole of humanity is in the grip of the toughest of times that can be recalled in recent history. Territories and geographical borders have waned into insignificance in the wake of the devastating pace at which the worst ever pandemic is engulfing us in the short time beginning January, 2020. Economies of nations are stymied by the slowing of activities during the intermittent lockdowns declared by various nations and the future remains unclear yet.

Having set in during the last quarter of the financial year, there was no significant impact of COVID-19 on operations of NGIL during the year 2019-20. Given the nature of our products, which are catering to the needs of pharmaceutical sector, I expect that NGIL will be able to sustain profitable operations in the year ahead. Even so, the Company will have to steer through the spectre of shortage of our main raw material, in order to ensure uninterrupted operations, which the Company is hopeful of addressing through effective business strategies.

During these times, the safety and health of our employees is paramount. The Nitta Gelatin Group has developed a robust protocol in our systems, processes and activities so that the safety and health of our employees and all who transact business with us are protected in their dealings with us. As a body corporate, we are also contributing in all ways possible to ameliorate the sufferings of the people in the communities around us through participation in various welfare measures. The efforts of NGIL in this direction are indeed laudable.

By leveraging on the innate strengths derived out of adherence to its value systems and ethical practices evolved over the years, I am confident that NGIL will continue to hold fort as the industry leader in India in the years ahead. The Nitta Gelatin Group considers NGIL as a key member for its current and future operations and will continue to support the Company in all possible manner to achieve its business objectives.

I look forward to your continued support

Koichi-Ogata

Koichi Ogata

Message from the **CHAIRMAN**

Dr. K. Ellangovan IAS
Principal Secretary (Industries & NORKA)
Govt of Kerala

Dear Shareholders,

It is heartening to note that Nitta Gelatin India Limited has achieved significant growth in its Income and profitability during the year 2019-20 despite the challenge posed by the shortage of raw material and its spiraling cost.

Our State has been making huge strides through legislative and administrative reforms to enhance the ease of doing business. Ascend Kerala, the Global Investors' Meet that was held in January 2020 in Cochin was a resounding success with many industrialists announcing landmark investments in our State. A delegation from our State led by our Honourable Chief Minister had visited some countries including Japan to showcase the investment opportunities here. I am glad to note that the Nitta Gelatin Group is actively evaluating further investments in our State for the growth of NGIL.

The threat of the COVID-19 pandemic has had a far reaching impact on all walks of life and the efforts of the Government of Kerala to contain the spread of the disease have been appreciated world-wide. While these efforts would continue, its success would finally be determined by the discipline displayed by our people. I am happy that the Company has implemented a number of measures across all its locations so that the safety and health of its employees is not compromised in any manner. It is very important that such measures are sustained until the situation gets under control.

While many factories were forced to shutdown their operations at the time of onset of the pandemic, the government of Kerala considered it important that the operations of NGIL should not be affected as its products go into the pharmaceutical industry. Keeping this in mind, special approval was given to allow the Company to continue its operations even during the periods of lockdown.

I believe that the market for the Company's products which is a critical input for the pharmaceutical industry would continue to remain robust though there could be many challenges too to its operations. I am confident that the management of the Company will take all effective measures under the guidance of its Board of Directors so that it can sustain and build on its performance in the years ahead.

I take this opportunity to assure the support and commitment of KSIDC and the Government of Kerala to the Company and look forward to its profitable growth in the years ahead.

K. Ellangovan

Industries & NORKA
Govt of Kerala
Thiruvananthapuram 695001, Kerala

BOARD OF DIRECTORS

Dr. K. Ellangovan IAS
Chairman

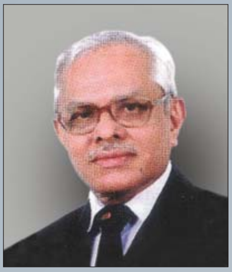
Sajiv K. Menon
Managing Director

Dr. Shinya Takahashi
Director (Technical)

Koichi Ogata
Director

S. Harikishore IAS
Director

Radha Unni
Independent Director



Dr. K. Cherian Varghese
Independent Director

E. Nandakumar
Independent Director

Yoichiro Sakuma
Independent Director

Justice M. Jaichandren
Independent Director

BOARD OF DIRECTORS

Chairman	:	DR. K. ELLANGOVAN IAS
Directors	:	KOICHI OGATA S. HARIKISHORE IAS RADHA UNNI Dr. K. CHERIAN VARGHESE E. NANDAKUMAR YOICHIRO SAKUMA JUSTICE M. JAICHANDREN 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, 56/715, 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 REVA DIVISION Plot No. 832, GIDC Industrial Estate, Jhagadia Dist., Bharuch, Bharuch 393110

Website : www.gelatin.in

SUBSIDIARY COMPANY

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

CIN: L24299KL1975PLC002691

Nitta Gelatin India Limited

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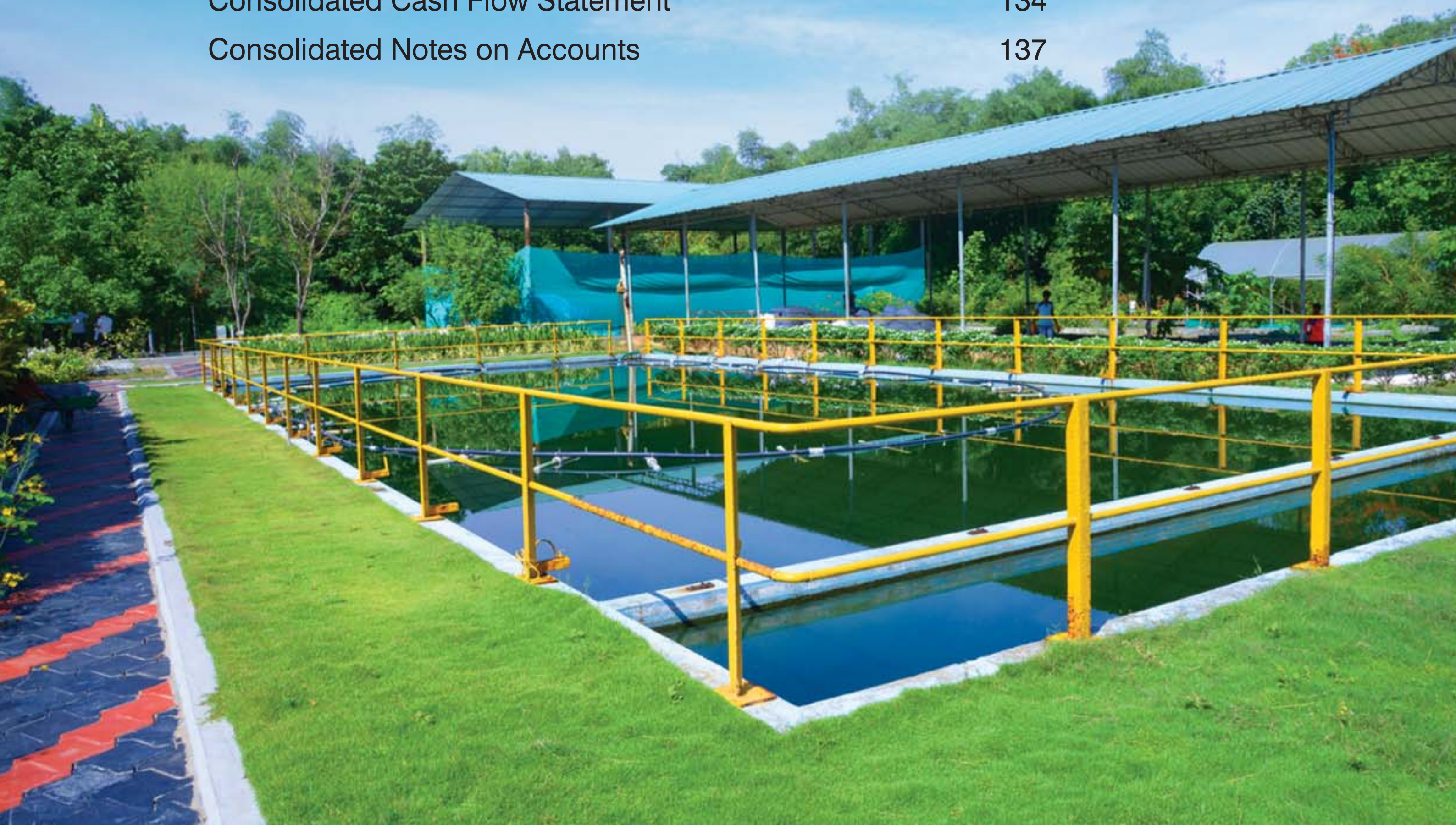

Financial Highlights (10 Years)

(₹ in Lakhs)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#
Total Income	20,638.94	24,694.12	30,897.61	28,936.04	36,115.70	36,098.51	35,016.44	34,785.94	26,190.32	29,777.69
Sales*	19,650.08	23,810.08	29,714.01	28,030.33	34,857.35	34,706.54	31,999.09	33,537.98	25,275.93	28,815.53
Exports (FOB)	10,092.68	13,829.03	15,620.93	16,296.11	18,274.81	17,763.16	16,534.72	16,382.62	11,507.79	12,134.00
Pre-tax Profit / (Loss)	251.45	653.48	2613.01	(731.05)	1002.72	2643.13	3183.26	1073.68	(366.53)	687.93
Profit / (Loss) after tax	189.15	508.08	1558.30	(495.92)	510.20	1668.24	2048.67	377.52	(263.66)	789.54
Total Comprehensive Income	-	-	-	-	-	-	2109.08	305.71	(151.18)	201.31
Earning per share (₹)	2.25	6.05	17.35	(5.47)	5.62	17.33	23.23	4.16	(2.90)	8.70
Dividend per share (₹)	4.00	4.00	4.00	0.00	1.00	2.50	2.50	2.50	1.50	2.50
Reserves, Retained Earnings and other Equity	9,739.87	9,857.44	11,070.49	10,634.70	11,252.07	12,468.89	13,009.86	13,770.84	13,346.02	13,409.39
Share Capital	840.00	840.00	840.00	907.92	907.92	2,487.92	907.92	907.92	907.92	907.92
Shareholder's Funds	10,579.87	10,697.44	11,910.49	11,542.62	12,159.99	14,956.81	13,917.77	14,678.76	14,253.94	14,317.31
Return on Equity (%)	1.79	4.75	13.08	(4.30)	4.20	11.16	14.72	2.57	(1.85)	5.51
Book Value / Share (₹)	125.95	127.35	141.79	127.13	133.93	147.34	153.29	161.68	157.00	157.69
Gross Block	15,674.24	16,299.51	17,106.60	19,515.84	20,836.92	21,817.54	9,771.96	14,232.44	15,561.90	17,177.59
Net Block	6,813.56	6,867.78	6,794.23	8,158.60	7,727.07	8,027.28	8,733.35	11,939.16	12,136.94	11,968.97

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

CIN: L24299KL1975PLC002691

NOTICE

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of Nitta Gelatin India Limited will be held on Tuesday, the **04th Day of August, 2020** at 10 AM (IST) through Video Conferencing (VC) 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 2020, 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 2020, 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
3. To declare Dividend on Redeemable Preference Shares– 44,44,444 Shares of Rs.10/- each @ 7.65063%p.a. from the effective date of merger i.e.03.04.2019 absorbing an amount of Rs.33,81,647.00.
4. To declare dividend on Equity Shares.
5. 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.6– APPOINTMENT OF JUSTICE M. JAICHANDREN (DIN: 08584025)-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, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Justice M Jaichandren (DIN- 08584025) who was appointed as an Additional Director qualifying as an Independent Director on 04.11.2019 pursuant to provisions of Section 161(1) of The Act, 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 the Director 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 MRS. RADHA UNNI (DIN- 03242769)-INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150,152 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force),provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, that Mrs. Radha Unni (DIN: 03242769), who held office of Independent Director up to 17.04. 2020 and had been approved by Board of Directors at their meeting dated 07.02.2020 pursuant to Second proviso to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 for continuance as such Director beyond 17.04.2020 till such time as considered for appointment as an Independent Director by the Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company having received a notice in writing mandated under Section 160 from the Director herself, for a term running up to the close of the Annual General Meeting in the year 2024 and whose office shall not henceforth be liable to determination by retirement of Directors by rotation”.

ITEM NO. 8- RE-APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228) AS MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act 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 re-appointment of Mr. Sajiv K Menon (DIN: 00168228) as the Managing Director of the Company, for a period of 2 (two) years with effect from 01.04.2020 on the following terms & conditions:

1. Basic Pay
   Basic pay will be Rs. 4,42,900/- per month as on 1.4.2020 with an annual increment of 10% of the Basic pay.
2. Housing
   Housing Rent Allowance @50% of Basic Pay will be paid per month.
3. Personal Allowance
   Nil
4. Incentive
   The maximum incentive payable will be Rs. 2,02,600/- per month and minimum Rs. 81,040/- per month.
5. Leave Travel Allowance
   The Leave Travel Allowance payable shall be Rs. 3,54,300/- per annum.
6. Furnishing, Gas, Electricity and Water
   Nil.
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/- for the Company.
9. Leave and Leave Encashment
   As per rules applicable to management staff of the Company.
10. Entertainment Expenses
    Nil
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
    Annual 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 two years with effect from 01st April, 2020.
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.
19. Location of Posting
    Trivandrum. However he shall be available in Cochin for around two weeks every month.

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

ITEM NO. 9: PAYMENT OF REMUNERATION TO THE WHOLE TIME DIRECTOR IN THE WAKE OF INADEQUACY OF PROFIT FOR THE FINANCIAL YEAR- DR. SHINYA TAKAHASHI (DIN: 07809828)

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 Dr. Shinya Takahashi (DIN: 07809828), Director (Technical) during the financial year 2020-21 as was approved by the shareholders at the Annual General Meeting held in the year 2019 at the time of his re-appointment as Director (Technical) of the Company, in the wake of inadequacy of profit during the financial year 2019-20, more specifically detailed as here-in-below:-

1. Basic Pay	:	Rs.1,35,000/- per month
2. Designation	:	Director (Technical)
3. Location of work	:	Nitta Gelatin India Limited, Post Box. 4262, 56/715, 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/-. Unavailed medical benefit for any year shall be allowed to be carried forward to the next year.
7. Leave Travel Concession	:	Return passage for self and family once in a year by air by Economy Class, to and from his place of residence in Japan.
8. Personal Accident Insurance	:	Shall be covered under a personal accident insurance policy at an annual premium not to exceed Rs. 6,000/- to the Company.
9. Car	:	Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.
10. Telephone	:	Free telephone and internet facility will be provided at residence.
11. Income tax liability arising out of the above will have to be borne by the employee.		
12. Reporting Relationship	:	Director (Technical) shall functionally report to the Managing Director.
13. Minimum Remuneration		In the event of loss or inadequacy of profits in any financial year, the Director (Technical) shall be paid remuneration by way of salary and perquisites as specified above.

ITEM NO. 10- 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 Securities and Exchange Board of India (Listing Obligations and 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, up to an amount and as per the terms and conditions mentioned under item No.10of 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 things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution".

By Order of the Board,

Kochi
08.06.2020

G. Rajesh Kurup
Company Secretary
M.No.8453

Notes:

1. The 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. In view of the COVID 19 Pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated 05.05.2020 read with Circulars dated 08.04.2020 and 13.04.2020 and (collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting ("AGM") by VC/OAVM without the physical presence of the members at a common venue. Accordingly, in compliance with the said provisions read along with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020, the AGM of the Company shall be held through VC.
3. Pursuant to the provisions of the Act, 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. Since the AGM is being held pursuant to the MCA Circulars, through VC, the physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance slip are not annexed to this Notice.
4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Annual Report 2019-20 which includes the Notice of the AGM, Board's Report, Financial Statements and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.gelatin.in, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL https://www.evotingindia.com/
5. Attendance of members through VC shall be counted for quorum under Section 103 of the Act.
6. The VC facility shall be kept open at least 15 minutes before the scheduled time of the AGM and shall not be closed till expiry of 15 minutes after the conclusion of the scheduled time for the AGM.
7. The meeting through VC facility shall allow two way teleconferencing for the ease of participation of the member, besides having a facility to allow 1000 members to participate on first come first served basis.
8. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 29th July, 2020 to 04th August, 2020 (both days inclusive) to determine the members entitled to receive dividend as may be declared at the Annual General Meeting.
9. The dividend, if declared at the meeting will be paid by 20th August, 2020 to those Shareholders whose names appear on the Register of Members as on closure, subject to deduction of tax at source.
10. Due to the prevailing Covid situation, the Company perceives disruption of postal services- partially, if not fully- which will render it difficult for the Company to pay the dividend physically by issue of Dividend warrants, which would mean that dividend remittance resorted through the electronic mode shall leave behind for remittance, pertaining to those of the shareholders who holds shares in physical mode and not having updated the bank mandate. In which case, the Company shall upon normalization of the postal services, dispatch the dividend warrant/ cheque to such remaining shareholders by post, which is in conformity with the prescription under the MCA Circulars.
11. 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 dematted shares, so that payment of dividend when made through NECS/ Dividend Warrants, can capture the updated particulars and avoid delay/default.
12. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA i.e, CAMEO Corporate Services Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to our Registrar and Share Transfer Agent i.e, CAMEO Corporate Services Limited by 11:59 p.m. IST on July 28, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to our RTA i.e,CAMEO Corporate Services Limited by 11:59 p.m. IST on July 28, 2020.

Shareholders desirous of registering/updating his/her email id, mobile number against the folio under which shares are held, may access the url namely https://investors.cameoindia.com/ for directly updating CAMEO Web Module, which would also additionally enable the shareholders to submit Form 15G/15H by means of upload of scanned copy of the same. CAMEO would be receiving these inputs/images at the back-end for validating the same in order to register, which might meet with a rejection only in the unlikely occurence of any technical glitches.

13. 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.

14. 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 2012-13 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 10th August, 2020.

15. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.

16. 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 dematted shares.

17. Members may kindly update their email address with the Company/Registrar-CAMEO Corporate Services Limited such that correspondence reach you without fail.

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

19. 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.

General Information:

20. 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.

21. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services including remote e-voting provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:

- The remote e-voting period commences on **Saturday, August 1, 2020** (9:00 a.m. IST) and ends on **Monday, August 3, 2020** (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, July 28, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- The Board of Directors has appointed Mr. Abhilash Nediyalil Abraham (M. No. 22601) and (C.P. No. 14524) Practising Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC but shall not be entitled to cast their vote again.
- The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on "Shareholders" module.

(iii) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log in at https://www.cdslindia.com from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-voting option and proceed directly to cast your vote electronically.

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

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

(vi) If you are a first time user follow the steps given below:

	For Shareholders 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). • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is communicated along side the mail which has this annual report and notice as attachment. Shareholder presently not having their email ids registered with the company, can register the email id and mobile number in the online portal namely https://investors.cameoindia.com/ mentioned herein above as last para corresponding to clause 12 of the instruction. Whereafter the sequence number shall be communicated via email to such registered email ids by RTA, CAMEO.
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 as mentioned in instruction (v).

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

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 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.

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

(x) Click on the EVSN for the relevant<NITTA GELATIN INDIA LIMITED> on which you choose to vote.

(xi) 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.

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

(xiii) 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.

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

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from the PlayStore. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to Company at **rajeshkurup@nittagelindia.com/RTA at cameo@cameoindia.com.**

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to Company at **rajeshkurup@nittagelindia.com/ RTA at cameo@cameoindia.com.**

3. The Company/RTA (CAMEO Corporate Services Limited) shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Desktops/Laptops/IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of glitches.

5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **five (5) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (rajeshkurup@nittagelindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **five (5)days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at Company email id (rajeshkurup@nittagelindia.com). These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the

Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rajeshkurup@nittagelindia.com (designated email address by Company), if they have voted from individual desktop/ laptop/tab & not uploaded same in the CDSL e-voting 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or by sending an email to helpdesk.evoting@cdslindia.com or calling 1800225533.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.gelatin.inand on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT

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

ITEM NO.6 – APPOINTMENT OF JUSTICE M. JAICHANDREN (DIN: 08584025)-INDEPENDENT DIRECTOR

Mr. A. K. Nair (DIN: 00009148), Independent Director, had ceased to hold office as Director of the Company consequent on his retirement at the AGM dated 02.08.2019. 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 04.11.2019, appointed Justice M Jaichandren as an Additional Director qualifying as an Independent Director as prescribed under law.

A retired Judge of the High Court of Madras, Justice M Jaichandren has in all 46 years standing in the Bar and in Bench. He served as a Judge in the High Court of Madras for a period of 12 years beginning 10th December 2005 and is presently, a Senior Advocate of Supreme Court of India. He is an Honorary Professor of Law at Tamil Nadu Judicial Academy, Chennai. He has conducted cases of far reaching significance relating to issues involving Human Rights and Environmental problems besides undertaking many acclaimed roles such as recognition as 'International Visitor" on Human Rights issues under invitation by United States of America representing the Country as Fellow of Session -390, 'International Legal Perception on Human Rights' held at Salzburg, Austria. Completed and submitted Ph.D thesis -' Supreme Court on Human Rights of Women and Children in unorganised sector in India'.

Given his expertise and experience, Justice M. Jaichandren was considered suitable for appointment as an Independent Director on the Board, in the vacancy caused by retirement of Mr. A.K. Nair.

In the opinion of the Board of Directors Justice M. Jaichandren 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 Justice M Jaichandren is a person of integrity and possess relevant expertise and experience. The Company has also received a declaration from Justice M. Jaichandren 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 the Director proposing himself for appointment as Independent Director conforming to the provisions under Section 160 (1) of the Act. The Board recommends the Resolution for appointment of Justice M. Jaichandren as an Independent Director of the Company for a term of five consecutive years from date of passing of this resolution. Upon his appointment, Justice M. Jaichandren shall not be liable to retire by rotation.

Except Justice M. Jaichandren, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested - financially or otherwise - in this item of business.

ITEM NO.7 – RE- APPOINTMENT OF MRS. RADHA UNNI (DIN: 03242769)-INDEPENDENT DIRECTOR

Mrs. Radha Unni was earlier appointed as an Independent Director of the Company at the Extraordinary General Meeting held on 17.04.2015 after conforming to all procedural prescriptions to go in record for her status of independence and to hold office for a consecutive period of five (5) years beginning that date. Accordingly, Mrs. Radha Unni was to vacate office on 17.04.2020, when the Board of Directors at their meeting held on 07.02.2020 passed resolution approving her continuance in office by virtue of provisions under Rule 4 Proviso 2 to the Companies (Appointment and Qualification of Directors) Rules, 2014, until the Annual General Meeting in the year 2020 where the members are to get an opportunity for considering her for re-appointment as an Independent Director of the Company. Mrs. Radha Unni shall hold office as such Independent Director up to the close of the AGM in the year 2024. Hence, the accompanying resolution.

Mrs. Radha Unni is qualified as MA, B.ed., CAIIB and a Banker by profession. She had her career in State Bank of India (SBI) spanning over 36 years, serving in many States under various capacities. She was involved in Credit and Project Appraisal besides overseeing Public Issues and Debt Placements. Mrs. Radha Unni was the Chief General Manager – SBI - Kerala Circle from December 2008. Presently, she is also identified as a Woman Director.

The Company has received a declaration from Mrs. Radha Unni that she continues to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013. She has also given a statement showing that she 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 the Director proposing herself for appointment as Independent Director conforming to the provisions under Section 160 (1) of the Act. The Board recommends the Resolution for appointment of Mrs. Radha Unni as an Independent Director for a term ending by the AGM in the year 2024 as specifically proposed in the accompanying resolution. Upon appointment, Mrs. Radha Unni shall not be liable to retire by rotation.

Except Mrs. Radha Unni, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested – financially or otherwise - in this item of business.

ITEM NO. 8- RE-APPOINTMENT OF MR. SAJIV K MENON (DIN: 00168228) AS MANAGING DIRECTOR OF THE COMPANY

Mr. Sajiv. K. Menon was earlier appointed as Managing Director of the Company with effect from 01.04.2014 for a period of three years followed by a re- appointment effective 01.04.2017 again for a period of three years and confirmed thereafter at the respective Annual General Meetings. The Board of Directors at their meeting dated 07.02.2020 had on recommendation by the Nomination and Remuneration Committee, re-appointed Mr. Sajiv K. Menon as Managing Director on consideration of the fact that during his term in office, the performance of Mr. Sajiv K. Menon, was encouraging and satisfactory which deserved favorable consideration in the matter of extending him a third term in office as Managing Director of the Company.

The re-appointment of Mr. Sajiv. K. Menon as the Managing Director with effect from 01.04.2020 for a period of two years by the Board and the revision of the terms and conditions of appointment more specifically detailed as part of the Notice, require the approval/confirmation of the Shareholders as per the provisions of the Companies Act, 2013 and hence this resolution is proposed before the Annual General Meeting of the Company.

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 2020-21, may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

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

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

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 in 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	2018-19	2019-20
Sales	29777.69	26190.31
Net Profit / (Loss) after tax	(263.66)	789.54

(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 holds a B. Tech (Chemical Engineering) from REC Trichy and PGDM (Finance and Marketing) from 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 Grindwell Norton Limited (Abrasive Industry) before joining ONGC, Dehradun as an Executive Assistant to Chairman and Member in the year 1984. Later with Aruna Sugars and Enterprises 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 thereafter.

2. Past remuneration drawn (FY 2012-13): Rs. 1.5 Crores p.a.

3. Recognition/Awards/Achievements: A third rank holder in University of Madras 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 our Company, he is best suited to continue with 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 similarly placed and 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 year under reckoning, the Reva Division of the Company was trailing in performance as against expectation, due mainly to the Effluent discharge related issues arising from intermittent disruption in common discharge pipe lines.

2. Steps taken/proposed to be taken for improvement

With many of the issues besetting the Reva Division like Governmental infrastructure for effluent discharge having been addressed in progression, the year ahead is likely to show a better performance of that Division besides continuing with a robust performance of the other Divisions of the Company.

IV DISCLOSURE

1. A draft 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: PAYMENT OF REMUNERATION TO THE WHOLE TIME DIRECTOR IN THE WAKE OF INADEQUACY OF PROFIT FOR THE FINANCIAL YEAR- DR. SHINYA TAKAHASHI (DIN: 07809828)

Apart from Mr. Sajiv. K. Menon, Managing Director of the Company - an Explanatory Statement alongwith general information corresponding to whose re- appointment, accompanies the special resolution appearing as Item No. 8 herein above - the one other Whole Time Director whose remuneration adds up for reckoning the limits prescribed for remuneration of Whole Time Directors under the Regulations, is Dr. Shinya Takahashi, Director (Technical). Dr. Shinya Takahashi was appointed in the year 2017, 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 required approval/confirmation by the Shareholders as envisaged under the provisions of Section 197(4) of the Companies Act, 2013 which was also obtained at the previous AGM of the Company.

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.

Since Dr. Shinya Takahashi is not a resident in India as envisaged under Schedule V Part I of the Companies Act, 2013 (the Act), his reappointment by the Board/General Meeting as Director (Technical) also necessitated a Special Resolution as per the provisions of the Companies Act and rules thereof.

This explanatory statement along with the General Information commonly given both for the offices of Wholetime Director and MD excepting their personal (appointee) details in the wake of inadequacy of profit for payment of remuneration for the year 2020-21, may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

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.10 APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION BY THE COMPANY

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

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

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

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

In the light of the provisions of the Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its related parties for the period 01.10.2020 to 30.09.2021.

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

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2020 TO 30.09.2021 FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT 2013.

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

Name of Related Party	Director/KMP related	Nature of Relationship	Nature of Transaction	Period of Transaction	Maximum value of Transaction (Rs. In lakhs)
Nitta Gelatin Inc,Japan	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2020 to 30.09.2021	15000
	Dr. Shinya Takahashi	Nominee of Nitta Gelatin Inc, Japan	Availing of service		300
Nitta Gelatin NA Inc, USA	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2020 to 30.09.2021	12000
	Dr.Shinya Takahashi	Nominee of Nitta Gelain Inc, Japan	Availing of services		150
Bamni Proteins Ltd	Sajiv K Menon	Managing Director, Nitta Gelatin India Ltd	Sale of Goods	01.10.2020 to 30.09.2021	8000
	Dr Shinya Takahashi	Nominee of Nitta Gelatin Inc, Japan			

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
08.06.2020

G.R. Kurup
Company Secretary
M. No. 8453

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

Name	Koichi Ogata	Muthusami Jaichandren	Radha Unni	Sajiv Kumar Menon	Shinya Takahashi
Age (Years)	62	65	72	60	59
Nationality	Japanese	Indian	Indian	Indian	Japanese
Date of appointment	04.08.2020	04.11.2019	04.08.2020	01.04.2020	06.05.2019
Qualification	Bachelor of Science, Tohoku University	LLM from University of Delhi, LLB from University of Delhi, MA from University of Madras, BA from Madras Christian Collage	MA, B.ed., CAIIB	B. Tech (Chemical Engineering) from REC, Trichy and PGDM (Finance and Marketing), IIM Bangalore,	PhD from Chiba University and Graduate School of Advanced Integration Science
Expertise	President of NGI,Japan	A retired Judge of the High Court of Madras, Mr. Justice M Jaichandren has in all 46 years standing in the Bar and in Bench.	Chief General Manager – SBI - Kerala zone	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.	He has long experience at Nitta Gelatin Inc., Japan Leader in Gelatin in Asia Pacific Region.
Other Directorships excluding Foreign Companies	NIL	NIL	7	1	1
Member / Chairman of committees of other Companies	NIL	NIL	5	NIL	NIL
Relationship, if any, between Directors interse	NIL	NIL	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

To

THE MEMBERS OF
NITTA GELATIN INDIA LIMITED

Your Directors have pleasure in presenting the 44th Annual Report and audited financial statements of your Company for the year ended 31st March, 2020.

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.

SHARE CAPITAL

The Authorised Share Capital of your Company as on 31st March, 2020 was Rs.80,24,44,480/- (Rupees Eighty Crores Twenty Four lakhs Forty Four Thousand Four Hundred and Eighty only) comprising of four crore Equity Shares of Rs. 10/- each totaling to Rs. 40,00,00,000/-, 929,412 Optionally Convertible non-cumulative Preference Shares (OCPS) of Rs. 170/- each totaling to Rs. 15,80,00,040/- two crore Optionally Convertible non-cumulative Preference Shares of Rs. 10/- each totaling to Rs. 20,00,00,000/- and 44,44,444 Redeemable Preference Shares of Rs. 10/- each totaling to Rs. 4,44,44,440/-. Nitta Gelatin Inc., (NGI) Japan had not exercised the option to convert the OCPS shares of Rs. 170/- each into Equity Shares at the end of 18 months from date of its allotment as per terms of the issue.

ALLOTMENT OF PREFERENCE SHARES

The Company has allotted 44,44,444 Redeemable Preference Shares of Rs. 10/- each to M/s. Nitta Gelatin Inc., Japan on 27.11.2019 as consideration for their equity holding in the erstwhile Reva Proteins Ltd. as per the Scheme of Merger approved by the shareholders and the Hon'ble NCLT during the year.

PERFORMANCE

The gross revenue from operations of your Company during the year under review was Rs. 297.47 crores as compared to Rs. 261.19 crores in the previous year. There was an increase in sales realisation per unit of Gelatin with the growth in Gelatin demand worldwide. Increased quality of sales and per unit sales price of Gelatin and significant increase in per unit sales price of Collagen Peptide has enabled the Company in terms of higher gross revenue from product sales. The Company was able to position Collagen Peptide in the premium segment in the Indian market resulting in better unit sales realization.

Crushed Bone availability was tight due to reduced slaughtering because of stricter enforcement of regulations particularly against unlicensed slaughtering, restrictions on transportation of cattle and non-availability of migrant labour due to the national elections in April / May 2019. The Crushed Bone price as a result has increased significantly by 17% during the year as the demand was higher than the supply. Quality of Crushed Bone also continued to be poor.

Raw material availability, viz Crushed Bone (CB) which is a major concern for our capacity expansion was evaluated by M/s. Kantar IMRB, a reputed agency engaged in market research and consumer consulting. The study showed that there is a drop in the availability of Crushed Bone of around 3500~4000 MT/month in 2019 from 2015 level. The study also projected a growth of only 7~8% in CB availability by 2023-2024 if the current restrictions continue to exist. If the situation changes to the pre 2015 situation, the availability can increase to 22~23% by 2023-24. The Company continues to look for opportunities for importing CB and good quality Hide to supplement raw material availability.

The Company also produced and exported Limed Ossein using imported Crushed Bone from France. Limed Ossein production at Reva Division was initially affected due to stabilisation of ammoniacal nitrogen reduction in the effluent. Our efforts to stabilize the system have yielded positive results helping the Company in significantly reducing the chemical costs incurred for ammoniacal nitrogen treatment. Production was disrupted at Reva during the year due to problems faced with the discharge pipeline, on account of non-availability of water and power and due to scaling of the pipeline connecting our factory discharge point to the marine pipeline. Reva Division was able to achieve better capacity utilisation levels in the II half of the financial year with the arrest of the leakage in the effluent pipe line following intervention by Narmada Clean Tech, the Company responsible for managing the pipe line from the discharge outlet to the marine point.

Debottlenecking of the sludge drier at Ossein Division is under progress and the Company could achieve a throughput of 400 Kg/hr against the earlier rate of 280 Kg/hr. Further fine tuning will be carried out in the coming year in consultation with the equipment manufacturer which is expected to bring significant progress in augmenting the Company's sludge management and disposal systems.

Quality of water in the river source of Company's Gelatin Division was affected in December 2019 due to delay in construction of the embankment to prevent ingress of saline water from the sea into the river. The Company managed the situation with minimal production disruption by purchase of fresh water from private parties in tankers.

The problem that would be created in terms of water availability at Gelatin Division by the proposed relocation of the embankment due to the Water Metro boat service has been escalated to higher levels of the government for a solution.

USA has withdrawn the preferential system of tariffs with India which has resulted in 4% import duty for imports from India effective June 2019. This has impacted the per unit price realisation of Company's Gelatin exports to USA.

With all the Gelatin plants (except the Ooty plant of Serling Biotech)in full scale operation during the year and the resultant high demand for crushed bone, crushed bone prices increased significantly. Acid prices have gone up by 30%,adversely impacting the cost of production. The per unit price realization has gone up by 5% for Ossein/Limed Ossein, 4% for Gelatin and 63% for Collagen Peptide due to robust demand. Supply of the raw material, fish protein, on account of regulatory issues continued to pose a challenge for Collagen Peptide sales. The weakening of Rupee against USD during 2019-20 as compared to 2018-19 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 notwithstanding the higher costs incurred due to higher production levels. 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 sludge. Administration overheads were maintained at last year levels through appropriate controls.

With regard to finance cost, the Company could effectively leverage low cost foreign currency loans by negotiating with the Banks and introducing Banks that provide working capital funds at competitive rates. Interest rates for foreign currency loans have also dropped as LIBOR has gone down from 2.6% to 1.4% 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, 47.6% of the total sale of Gelatin and 44.1% of Collagen Peptide was through exports. Your Company has arrangement 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.

In a very significant judgement, the Panchayath Tribunal of Kerala has quashed the decision of the Kadukuttty Panchayat to reject the Company's application for the Factory License for Ossein Division and directed the Panchayat to issue the license to the Company. The Panchayat Secretary has issued the License to the Company for a period of 5 years in November 2019. This decision was however reversed by the Panchayath President subsequently. The Company had filed a case against the Panchayath President's decision in the High Court and the Court stayed the order of the President. The Court subsequently instructed the Central Pollution Control Board to study the assimilation capacity of Chalakudy river. In the report submitted by Central Pollution Control Board to High Court, they have stated that the Company fully meets the discharge norms and has also made some observations on operation of Effluent Treatment Systems. The petition is now pending for adjudication by the High Court.

During the previous year, the Pollution Control Board has renewed the validity of the Consent to operate up to 30th June 2023 for the Ossein Division. Similarly for Gelatin Division, during the previous year the Company has renewed the Consent to operate up to 30th June 2023. Reva Division's Consent to Operate issued by the Gujarat State Pollution Control Board is valid up to May 2021.

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 operations of the Company for the year 2019-20 have resulted in a pre-tax profit of Rs. 6.87 crores (as against a pre-tax loss of Rs. 3.67 crores during the year 2018-19).

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sales (including export incentives and net of Excise Duty & VAT)	294.47	261.19
Other Income	3.30	0.71
TOTAL	**297.77**	**261.90**
Gross Profit before Depreciation	21.83	10.68
Deducting therefrom:		
Depreciation	14.95	14.35
Provision for Tax -		
- Current Tax	1.18	-
- MAT Tax	(1.18)	-
- Deferred Tax	2.09	(1.03)
- Prior years	(3.10)	-
Profit/(Loss) after Tax from continuing operations	7.89	(2.64)
Other comprehensive income/(loss) (net of tax)	(5.88)	1.13
Total comprehensive profit for the year	2.01	(1.51)
Profit brought forward from previous year	(13.06)	(7.69)
Balance Profit available for appropriation	7.89	(2.64)
Appropriations :		
Final dividend on equity shares- paid	1.36	2.27
Tax on dividend	0.02	0.46
Total	**1.38**	**2.73**
Balance profit carried forward to next year	(6.55)	(13.06)
Earnings per share (Rs.)		
Basic	8.70	(2.90)
Diluted	8.70	(2.90)

Note: Dividend on Preference Shares is considered as finance costs.

DIVIDEND

Considering the Company's performance the Board has recommended a dividend of Rs. 2.5 per share i.e. 25% of the face value of Rs. 10/- per share on the Equity Capital for the year ended 31st March, 2020. 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 and a dividend @7.65063% on the 44,44,444 Redeemable Preference Shares of the face value of Rs. 10/- each for the year ended 31st March, 2020. This dividend payment is out of the current year profits of the Company and is subject to approval of the members at the ensuing Annual General Meeting.

The total outflow on account of dividend will be Rs. 346.15 lakhs (Rs. 221.55 lakhs in the financial year 2018-19) comprising of Rs. 119.17 lakhs on Preference Shares (Rs. 85.36 lakhs in the financial year 2018-19) and Rs. 226.98 lakhs on equity shares (Rs. 136.19 lakhs in the financial year 2018-19).

During the year, unclaimed dividend of Rs. 2.62 lakhs pertaining to the year ended 31st March, 2012 was transferred on 13.08.2019 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. 2750.62lakhs 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 31.03.2020 comprises of Security Premium Reserve of Rs. 2895.90 lakhs, equity contribution on External Commercial Borrowings and Preference Share Capital Rs. 984.43 lakhs, Special Export Reserve of Rs. 79 lakhs, General Reserve of Rs. 7836.64 lakhs, Debit Balance in the Profit and Loss Account of Rs. 654.79Lakhs, Capital Reserve of 2750.62 lakhs, Hedge Reserve of Rs. (408.56) lakhs and other comprehensive loss of Rs. 73.85 lakhs aggregating to Rs. 13409.39lakhs.

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.

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, 2020and such loans, guarantees and investments are within limits prescribed under that Section.

CREDIT RATING

During the year, rating agency CRISIL has reaffirmed the rating of CRISIL A-/ and revised its rating outlook as “Stable” from “Negative” for Long Term Instruments and reaffirmed “CRISIL A2+” rating for short term instruments.

AWARDS & ACCOLADES

During the year, your Company was awarded:

a) Capexil Top Export Award for the FY 2015 – 16 & 2016-17

b) National Institute of Personnel Management’s Best Corporate Citizen Award 2019 for the various social welfare activities undertaken by the Company as part of its CSR initiatives.

c) 5S Excellence Award for Gelatin Division under the Medium scale, manufacturing category.

d) Kerala Management Association’s All Kerala CSR Awards 2019 for Environment & Greenery – Private Sector

e) Three awards in CII Southern Region Kaizen competition in medium scale process industry

f) Great Manager Institute (GMI) award. GMI, along with Forbes India, selected Nitta Gelatin India Ltd. as a Company having Great People Managers - one among the 50 Companies across India.

g) The National CSR Leadership Award for Best Environmental Sustainability for Company’s efforts towards environmental sustainability in the areas around where the Company’s factories are situated.

h) SAP award for operational excellence in Finance for SME sector

i) “Asia’s Most Trusted Companies Award 2019” in the Gelatin and Collagen Peptide category in Asia Pacific from India region, from IBC Info Media Pvt. Ltd., a Division of International Brand Consulting Corporation USA.

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) OHSAS 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 protecting 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. Both Ossein and Gelatin factories have received the OHSAS certification, which is a testimony to the Company's commitment in this area.

The following are the major activities carried out during the year :-

- OHSAS 18001:2007- 2nd surveillance audit completed at Ossein division
- OHSAS 18001:2007 - Recertification audit completed at Gelatin division
- External safety audit completed at Reva Division
- Action points identified based on experience at other factories of Nitta Gelatin Inc., Japan completed.
- Fire license renewed at Ossein and Gelatin Divisions
- Mock drills conducted at Ossein and Gelatin Divisions
- ISO14001:2015 recertification audit of Gelatin Division is planned in September 2020.

Ossein and Gelatin Divisions are planning to conduct an external Safety Audit by a suitable approved agency during the coming months.

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. Various energy saving measures and efficiency improvement activities were taken up last fiscal that reduced the consumption of fuels compared to previous years. Our ETP operations were reinforced with the introduction of new equipment and mixing tanks. Action plans have been drawn up to reduce consumption of water in the coming years. During the year, Central Pollution Control Board has stated that the Company fully meets the discharge measures in their report to the High Court.

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 etc.;
- Providing basic necessities like healthcare, drinking water & sanitation;
- Supporting environmental and ecological balance through afforestation, soil conservation, conservation of flora and similar programmes;
- Promotion of sports through training of sports persons;
- Rural development projects; etc

  Total CSR expenditure incurred by your Company during the year was Rs. 23.50 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 1st April, 2020.

SUBSIDIARY COMPANY

BAMNI PROTEINS LIMITED

The annual production during the year in this subsidiary Company was 2385 MT of Ossein and 5440 MT of Di-Calcium Phosphate as against 2193 MT of Ossein and 5240 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. 848.75 lakhs (Rs. 1165.78lakhs in the previous year) post-tax profit of Rs. 627.82 Lakhs (Rs. 822.17 lakhs in the previous year) and other comprehensive loss of Rs. 92.76 lakhs (Profit of Rs. 18.51 lakhs) during the previous financial year.

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

The statement containing the salient features of the financial statement of the subsidiary 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:-

<table>
<tr><th>Sl. No.</th><th>Observation</th><th>Our explanation</th></tr>
<tr><td>1.</td><td>86th Audit Committee Meeting of the Company was held on 6th May, 2019 and the same was adjourned to 9th May, 2019 since financial statements were not ready by the time. On the next day i.e., 7th May, 2019, 87th meeting of the Audit Committee of the Company was held. 87th meeting of the Audit Committee was held in between the 86th original meeting and adjourned meeting is on 7th May, 2019. It is pertinent to note that 87th Audit Committee meeting was held without completion of the 86th Audit Committee meeting since the adjourned meeting held on 9th May is the continuation of the original meeting. Company is advised to conduct the meetings in seriatim to avoid possible conflict in decision making</td><td>The adjourned 86th meeting was held on May 9 with a single agenda-finalisation of accounts. The 87th meeting considered all other points. There was therefore no lack of continuity or potential conflict.</td></tr>
<tr><td>2.</td><td>As the provisions of Foreign Exchange Management Act, ECB return has to be filed by the Company every month within 7 working days of the end of each month. On scrutiny of ECB returns filed during FY 2019-20, it is found that the following delay occurred in filing of the same:
<table>
<tr><td>Month</td><td>Filing Date</td><td>Delay</td></tr>
<tr><td>April 2019</td><td>08.05.2019</td><td>1 day</td></tr>
<tr><td>June 2019</td><td>08.07.2019</td><td>1 day</td></tr>
<tr><td>September 2019</td><td>10.10.2019</td><td>3 days</td></tr>
</table>
Company is advised to file ECB return in time in future.</td><td>As the ECB return to be filed requires acknowledgment by the Bank, there occurred a few days delay. This delay noted is with reference to the bank endorsement date with seal, whereas, the Returns were all filed with Bank within the stipulated time.</td></tr>
</table>

<table>
<tr>
<td>3.</td>
<td>The following E- Forms have been filed by the Company with delay as mentioned herein:
<table>
<tr><th>E Form</th><th>Particulars</th><th>Due Date</th><th>Date of filing</th><th>No. of days of delay</th></tr>
<tr><td>IEPF- 7</td><td>Amounts credited to IEPF Fund</td><td>14.09.19</td><td>20.09.19</td><td>6 days</td></tr>
<tr><td>DPT-3 (one time & yearly return)</td><td>Return of deposits</td><td>29.06.19 & 30.06.19</td><td>27.08.19</td><td>59 & 58 days</td></tr>
</table>
</td>
<td>IEPF 7- This is with regard to payment of dividend on equity shares transferred to IEPF account, where time taken by the Banker in transmitting the Bank transaction ID, in turn led to a few days delay in filing the corresponding return. DPT 3- The pre and post-merger networth with overriding terms of scheme of merger (Reva Proteins to Nitta Gelatin) relating to an Appointed Date effective 01st April 2017, had warranted certain clarification from Auditors. The delay in filing Form DPT 3 will not recur in future.</td>
</tr>
<tr>
<td>4.</td>
<td>As per Regulation 14 of the SEBI (LODR) Regulations, 2015, listing fee has to be paid to stock exchanges before 30th April of every financial year. On scrutiny of the listing fee paid to BSE during FY 2019-20, it is found that there was 7 days delay in payment of listing fee (Due Date April 30). Company should ensure payment of listing fee within time to avoid interest on the late filing.</td>
<td>After timely remittance of the admitted fees, the Company had sought clarity on the amount of listing fees payable to BSE under the circumstance of changes in payment pattern introduced effective from that year by Stock Exchange on 29.07.2019. Payment was done immediately upon confirmation from BSE on 23.08.2019 and hence unlikely to be visited by any demand for interest</td>
</tr>
<tr>
<td>5.</td>
<td>As per Regulation 23(9) of the SEBI (LODR) Regulations, 2015, the listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website. On analysis it is found that there is 39 days delay in submission of Related Party Transactions for half year ended 31.03.2019 (consolidated basis).</td>
<td>The Regulation stipulating disclosure of RPT- consolidated, was introduced effective 31.03.2019. There required clarity on the format which was not initially available. Hence we made disclosure for period ending March 2019 in our own format, while for period ending September 30, though there was sounded a specific format, this was not readily available for timely filing. Resultantly, there occurred delay by the time figures were filed in the specific format prescribed for the purpose.</td>
</tr>
</table>

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 by the management and no reportable material weakness in the design or operations was 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 pricing premium commanded by the Company due to emergence of alternate Halal certifications

- sustaining operations in lock down conditions without disruption etc.

MATERIAL POST BALANCE SHEET EVENTS

During the month of March 2020, World Health Organisation declared COVID -19 to be a global pandemic. The spread of COVID-19 has impacted the normal operations of businesses in many countries including India. The country has witnessed several disruptions in normal operations due to lockdowns imposed by the Government in the form of restrictions to movement of people, transportation and supply chain along with other stringent measures to contain COVID-19 spread.

The Company has made an assessment of the business situation and has evaluated the possible impact of the outbreak of COVID-19 on its business. Though the Government has classified the Company's operations as part of "essential services" and has exempted the Company from lockdown restrictions, the Company's operations have been impacted due to inadequate availability of raw materials and other necessary items. Though the Company has partially restarted the operations, the impact on future operations would to a large extent depend on how the pandemic develops and the resultant impact on businesses.

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, 2020, 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 2020 and of the profit of the Company for the year ended on that date;

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

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

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

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

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on Related Party Transactions which is in line with the relevant provisions of the Companies Act and as well as SEBI (LODR) Regulations. The said policy as approved by the Board is available in the Company website www.gelatin.in. As per the said policy, prior omnibus approval of the Audit Committee is obtained on a quarterly basis for all the Related Party Transactions which are of a foreseen and repetitive nature. All Related Party Transactions actually taken place are subsequently reviewed by the Audit Committee on a quarterly basis in comparison with the conditions of omnibus approval and are recommended to the Board for approval. Additionally material Related Party Transactions foreseen in the year ahead were approved by the members. 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

Dr. Sharmila Mary Joseph, IAS ceased to be Nominee Director on 26.09.2019 upon withdrawal of the nomination by KSIDC,where after, Mr. M. G. Rajamanickam, IAS was appointed as Nominee Director on 12.12.2019 by KSIDC. Mr. A.K. Nair ceased to hold office on 02.08.2019 on completion of his tenure as Independent Director. Retd. Justice M. Jaichandren was appointed as Additional Director qualifying as an Independent Director by the Board of Directors on 04.11.2019.

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

1. Dr. K. Cherian Varghese, Chairman
2. Mr. E. Nandakumar, Member
3. Mr. Yoichiro Sakuma, 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 for 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 Four times on 04.05.2019, 06.05.2019 adjourned to 09.05.2019, 20.09.2019 and 07.02.2020.

KEY MANAGERIAL PERSONNEL

Rule 8(5)(iii) of Companies (Accounts) Rules, 2014prescribes that Report of Directors should contain details of Directors and Key Managerial Personnel. Therefore, in addition to the details of Directors herein above 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 07.02.2020 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 5 (Five) times during the financial year 2019-20. 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 Dr. K. 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 HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION,PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company has always believed in providing a safe and harassment free workplace for every individual working and associating with the Company,through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. A four member Internal Complaints Committee(ICC) is constituted with three lady employees and one lady NGO member. ICC is responsible for redressal of complaints relating to sexual harassment,as envisaged under the provisions of Act and Rules. Hitherto no complaints were received by ICC.

PREVENTION OF 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 (WCC 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 such appointment for the remaining period for the 5 year term,were ratified at the Annual General Meeting in the year 2019. 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 Section134 (3) (a) of the Companies Act 2013.

ACKNOWLEDGMENT

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. The Board takes 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
08.06.2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Gelatin is the 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 drives the demand for gelatin.

Gelatin is the 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 in the quality of gelatin.

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 hold major market share in empty capsule markets. Gelatin provides rapid drug release and excellent oxygen barrier and hence are 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 by the Nutraceutical industry, Cosmetic industry, and research laboratories. The growth in pharmaceutical industry is driving the gelatin business. 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.

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 increasing, which is expected to drive the growth of the vegetarian softgel capsules segment. Some of the manufacturers are working on manufacturing capsules using non-gelatin ingredients to cater the increasing demand from the vegetarian consumer base across the globe.

The global Collagen Peptide's 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 1.3 billion by 2023.

Collagen peptide being a nutritional supplement is used as a 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 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 medium easily. Hydrolyzed collagen has good organoleptic properties, taste, and is odor-free, while at the same time enabling the food product to maintain its organoleptic characteristics. It is used in various formulations due to its property to mix and blend with other food forms. The growing demand for Collagen Peptide globally give gelatin manufacturers an opportunity to expand the business into more profitable segment. This has affected gelatin availability leading to increase in price. In south east Asia, the increasing demand for collagen peptide derived from fish has led to acute shortage of raw material and huge increase in raw material and collagen peptide price.

SEGMENT-WISE PERFORMANCE

Gelatin demand in India has shown growth for pharmaceutical applications. The gelatin demand for both hard gelatin capsules and soft gelatin capsules is growing due to growth in pharmaceutical industry. Company was able to operate its gelatin plant at its full capacity during the year 2019-20. Lockdown due to Covid-19 affected sales in March due to lockdown control measures although Company was given permission to operate, being a supplier to essential products.

Exports

Export of Ossein to Japan during the year 2019-20 increased by 5% compared to previous year due to more demand and foreign exchange gain. In the case of Gelatin, exports for the year stood 7% higher than the previous fiscal. The demand was stable. Collagen peptide export revenue was 10% higher than the previous year due to demand from South East Asia, higher price realization and favorable exchange rate. The raw material scarcity, created by increase in demand for fish collagen in South East Asian countries, continued for Fish Collagen Peptide; however situation eased though raw material price is still at high level and it affected the margin and market penetration. The average USD/INR exchange rate for the year 2019-20 was 70.57 as against 69.51 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. During the Financial year revenue from Gelatin domestic market grew by 17%. Domestic sale of Collagen Peptide reported more than 100% growth in revenue compared to previous financial year. Induction of new customers helped to achieve the increase in revenue. The non-availability of low cost raw material for fish collagen peptide is still continuing and poses a hurdle for market expansion. To ensure quality product, Company still depends on imported raw materials for manufacturing fish collagen peptide. The poultry industry saw slow down due various reasons like flood, feed price increase, fake news on spread of corona virus through chicken etc. It affected the demand for DiCalcium Phosphate (DCP) and prices of DCP dropped almost 10-15% in second half of the financial year 2019-20. Compared to previous year revenue from DCP grew by 42% mainly due to high volume. Last year production volume was low due to interruptions in production

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 many foods. 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. Gelatin capsule industry consumes roughly 90-95% of all bovine bone gelatin production in India and as per the latest estimates about 750billion gelatin capsules, both soft and hard, were produced.

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

The advancement in healthcare and medical field and changes in lifestyle have opened huge opportunity for naturally derived ingredients and gelatin. The tissue engineering and regenerative medicine demands highly purified and biocompatible gelatins, which can become a 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 many 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 a blockbuster ingredient in the Nutraceutical industry. Once considered as a cheap protein, it 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 ingredients in the Nutraceutical formulations in these segments. Several studies are going on to explore other potential benefits of Collagen derived bioactive peptides. Considering the immense potential of Collagen Peptide several manufacturers have already scaled up their manufacturing facilities.

Major challenges faced by the Company are its high cost of production and limited capacity. The comparatively higher cost of Indian bones and its lower quality makes our product costly for global market. Interruption in operations due to various reasons has also affected the performance of the Company. Due to its low margin, Company has not entered into food applications of Gelatin which is the largest segment of Gelatin.

REDUCING CARBON FOOT PRINT

The Company has taken many initiatives for reducing carbon footprint. In its pursuit to utilize renewable source of energy the Company has installed Solar Power generation Unit of Capacity 20 KW at its Corporate Office for lighting purpose,generating 80 KWH/day. It is noteworthy that compared to 2017-18 period, CO2 emission reduced to the tune of 4309 MT in 2019-20as result of various initiatives rolled out. The major initiatives underway are : (i) Specific Fuel reduction by Efficiency Improvement & Usage of Carbon neutral fuels (ii) Fossil Fuel Reduction by Usage of Biogas (iii) Raw Material Transportation by Coastal shipping instead of trucks (iv) Specific Power reduction by Improving Efficiencies (v) Employee Travel reduction by usage of Video Conferencing /Skype etc.

OUTLOOK

We have never seen before a near shut down of the modern global economy in the setting of an ongoing COVID-19 pandemic and restoring normalcy is going to be a massive challenge. As other geographies experience continued COVID-19 case growth, it is likely that restrictions will be imposed on movement of men and materials, to attempt to stop or slow the progression of the disease. This will almost certainly drive a sharp reduction in demand for goods and services, which in turn will lower economic growth this year. Demand recovery will depend on a slowing of the spread of the disease. Demand may also return if the disease's fatality ratio becomes lower than what we are currently seeing. We may in our sectors see delayed demand. In supplements industry, Collagen peptide customers may put off discretionary spending because of the pandemic but will purchase such items later or look for less expensive products, once the fear subsides and confidence returns. In addition to facing consumer-demand headwinds, Company will need to navigate supply-chain challenges, raw material availability and ensuring continuous operations.

The Board has reasonable expectation that the company will be able to continue the operation and meets its liabilities as they fall due over the period of assessment.

The novel Corona virus (COVID-19) has compromised many companies in the Gelatin market over their production activities due to lockdown. Gelatin being a pharmaceutical excipient comes under essential goods and hence operations were allowed by government. However, limited supporting factors like raw material availability, manpower, transportation and limited operations in the supply chain are expected to impact the business.

Although various cost control measures have yielded benefits, the same was neutralised by regular increase in raw material cost. During the course of the financial year, crushed bone cost increased significantly say17%. At the same time quality of raw material is deteriorating adding to increase in processing cost. The Company is putting efforts to minimize the impact of raw material price escalation through various business excellence initiatives under "PRISM" and cost reduction initiatives. Such initiatives are helping the Company to stay competitive in the industry.

The demand for Gelatin, Collagen Peptide and Di Calcium

Phosphate is likely to grow at an attractive rate. Company's focus is to ensure continuity in operation in the new financial year to meet the 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 among the world's best gelatin manufacturing facilities through the implementation of a systematic operational excellence initiative. Cost reduction activities are being strengthened to become a cost competitive bone gelatin manufacturer in the future.

The Company is making efforts to commercialize value added and new products to pave the path for faster growth. Considering the demand for Gelatin & Collagen Peptide, the Company 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 profit of Rs. 6.87 crores for the current year as against pre-tax loss of Rs. 3.67 crores for the previous financial year. The post-tax profit for the current year is Rs. 7.89 crores whereas it stood at a loss of Rs. 2.64 crores for 2018-19. Other comprehensive loss (net of tax) for the current year is Rs. 5.88 crores as against other comprehensive income of Rs. 1.12 crores for the previous year. The increase in other comprehensive loss during the year is attributable to the mark-to-market loss incurred on account of sharp weakening of the Rupee against USD in the month of March 2020 following the Covid 19 pandemic.

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 profit of Rs. 8.70 per share as against- Rs. 2.90 (negative) per share during the previous fiscal.

HUMAN RESOURCES DEVELOPMENT

The Company undertook the following HR initiatives during the financial year:-

1. Competency Mapping: Competencies refer to the inherent traits and behaviours that enable an employee to excel in his role. Competency Mapping is an exercise to identify the gaps between the competency values of each employee vis-a-vis the competency requirements of their current role. The exercise, which was started in the previous year was completed for all employees this year.

2. Competency Gap Assessment: Following completion of Competency Mapping exercise, each employee has a personalised competency gap filling development program designed to fill his or her individual gaps. The deployment of the development program is scheduled for the year 2020-21. This is expected to augment the competency at individual level for higher levels of performance.

3. Talent Dialogue: The Company recognizes that each employee's journey is different as is their individual aspirations. In order to ensure that each employee's career is developed in the Company with this in mind, the Company carried out one to one discussions with each employee to get an idea of their challenges, aspirations, and apprehensions. These inputs are then built into their development plan

4. Organizational Restructuring: Following the establishment of the organization's Vision, Mission and Values as well as the Company's long term strategy being articulated better, it is imperative that the organization structure is in line with the new direction of the Company. The new organisation structure, which is expected to realign the Company's internal structure to better cater to the stakeholders' interests, was approved by the top management and is set to be deployed in the financial year 2020-21.

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 emergencies apart from planning for career progression. This involves systematically identifying and developing employees in the lower level to fill the shoes of the critical roles of the organisation over time. Currently, the Company has identified the critical positions and is developing developmental plans to meet the required competency to occupy the position, as and when the requirement or the opportunity arises.

6. Reward & Recognition Schemes: Recognising and rewarding the right behaviour pushes employees to perform better as well as reinforce what the Company expects from each of them. This year, the Company redesigned and revised many of our 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 and encourage positive behaviour in others.

7. Fun @ NGIL – It is important for employees of the NGIL to have fun too while at work. 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 includes practices like morning yoga and exercise sessions, playing sports as a team, playing piped music during office hours, etc.

As on 31st March, 2020 the total permanent employee strength of the Company was 470.

KEY FINANCIAL RATIOS

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Key Ratio	2019-20	2018-19	Change	Change %	Reason for Variance
Debtors Turnover Ratio	7.20	4.38	2.82	64%	Improved Collections from Debtors
Interest Coverage Ratio	1.91	0.54	1.38	257%	Profitability increased due to higher Capacity utilisation compared to the Previous year and loan repayments
Operating Profit Margin	4.00%	2.80%	1.20%	44%	Profitability increased due to higher Capacity utilisation compared to the Previous year when the plant operations were affected due to disruptions on account of flood and non availability of water for process requirements
Net Profit Margin	2.70%	-1.00%	3.70%	366%	Profitability increased due to higher Capacity utilisation compared to the Previous year when the plant operations were affected due to disruptions on account of flood and non availability of water for process requirements

Change in Networth

Key Ratios	2019-20	2018-19	Change	Change %	Reason for Variance
Return on Networth	5.50%	-1.80%	7.40%	398%	Profitability increased due to higher Capacity utilisation compared to the Previous year when the plant operations were affected due to disruptions on account of flood and non availability of water for process requirements

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 shareholders' expectations, both short term and long term.

For and on behalf of the Board of Directors,

Dr. K. ELLANGOVAN IAS
CHAIRMAN
(DIN:05272476)

Kochi
08.06.2020

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.

Web Link: www. gelatin.in

Composition of CSR Committee

Name of the Member	Designation
Mr. E. Nandakumar	Chairman
Dr. Shinya Takahashi	Member
Mr. Sajiv K Menon	Member

1. Average net profit : Rs.1160.78 lakhs
2. Prescribed CSR Expenditure (Two percent of the amount as in item 1 above)
   The Company is required to spend Rs. 23.22 lakhs
3. Details of CSR spend for the financial year:
   a) Total amount spent during the financial year Rs.23.50 lakhs.
   b) Amount spent in excess of the statutory minimum Rs. 0.28 lakhs
   c) Manner in which the amount was spent during the financial year 2019-20 is detailed below:

Sl. No.	Projects/ Activities	Sector	Location	Amount outlay (Budget) project or programme wise (Rs. in lakhs)	Amount spent on the programme (Rs. in lakhs)	Cumulative Expenditure up to reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency
1	Education	Children Education-study materials & note book distribution, smart class, career awareness, education development projects/ infrastructure Sports coaching etc.	Koratty/ Kakkanad	11.93	10.60	10.60	Public Trust
2	Community Development	Onam fair, Onam kit distribution, public well cleaning and maintenance, renovation of pond,	Koratty/ Kakkanad	6.61	4.27	4.27	Public Trust
3	Healthcare initiatives	Medi support scheme	Koratty/ Kakkanad	4.66	1.40	1.40	Public Trust
4	K. T. Chandy Trust	Tree planting, Social Forestry	Koratty/ Kakkanad	-	5.64	5.64	Public Trust
5	Sports	Sports coaching, competition, tournament	Kakkanad	0.30	-	-	Public Trust
6	Others	Social welfare expenses		-	1.52	1.52	Public Trust
7	Green Initiatives			-	0.07	0.07	Public Trust
	Total			**23.50**	**23.50**	**23.50**	

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.

E. NANDAKUMAR
CHAIRMAN

DR. SHINYA TAKAHASHI
MEMBER

SAJIV. K. MENON
MEMBER

DR. K. ELLANGOVAN IAS
CHAIRMAN
(DIN: 05272476)

Kochi
08.06.2020

ANNEXURE - II

Form AOC-I

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
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 (Rs. Lakhs)
4	Share capital	425.00
5	Reserves & surplus	1282.07
6	Total assets	2620.51
7	Total Liabilities	2620.51
8	Investments	-
9	Turnover	6455.70
10	Profit /(loss) before taxation	848.75
11	Provision for taxation	220.93
12	Profit after taxation from continuing operations	627.81
13	Other comprehensive income /(loss)	(92.76)
14	Total comprehensive income /(loss)	535.06
15	Proposed Dividend	95%
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 its reporting period.

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

Kochi
08.06.2020

Dr. K. Ellangovan, IAS
Chairman
(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:

Activities at Ossein Division

i) Energy efficient screw type air compressor 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) Installation of LED streetlights and flood lights inside plant.

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

vi) Facility implementation for Power trading.

vii) New energy efficient chiller installed in Liming plant.

viii) VFD installed in reuse pump to control water pressure.

ix) Installed solar streetlights.

Activities at Gelatin Division

i) Conventional lamps street lights were replaced with more energy efficient LED lamps in the plant.

ii) Power efficient Floating Aerators added to improve the aeration efficiency.

iii) More number of Inefficient IE1 motors replaced with Energy efficient Motor IE3 Motors.

iv) Power Trading started to reduce power cost.

v) Installation of VFD for variable load motors.

vi) Old inefficient chiller replaced with energy efficient chiller.

vii) Fully replaced energy intensive Vacuum drum filter operation for sludge filtration with energy efficient Press filter.

viii) Flash vessel and steam pump for condensate recovery

Activities at Reva Division

i) Installed two energy efficient aerators for better aeration in Aeration Tank

ii) Replaced five street lights of 250W with 50W LED lights.

Capital investments on energy conservation equipment

The Company has spent an amount of Rs.133.80 lakhs as capital expenditure on energy saving equipment during the year 2019-20.

Energy conservation activities proposed for 2020-21

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

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

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

iv. Power Trading to reduce power cost.

v. Installation of VFD for variable load motors in pumps.

vi. Further addition of energy efficient jet aerators in equalization tanks.

vii. Energy Management system for better control and monitoring of Energy usage.

viii. Installation of more transparent roofing sheets in plant for day light utilization.

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

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

xi. Installation of VFD for variable load motors.

xii. Further addition of energy efficient Floating aerators

xiii. VFD for compressors

xiv. Energy efficient brine chilling unit

xv. Lower capacity vacuum pump in sterilizer

xvi. Condensate recovery

xvii. Boiler Efficiency improvement

xviii. Planning to install one energy efficient aerator for better aeration in Aeration Tank

xix. Replacement of street lights of 250W with 50W LED lights.

xx. Hot and cold insulation of process utilities such as steam, hot oil and chilled water lines for improving thermal efficiency and consequent energy reduction.

(B) TECHNOLOGY ABSORPTION AND DEVELOPMENT

The technology for the manufacture of Ossein, Di calcium 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. Any noteworthy developments in the area of any of the products at NGI, Japan or its associates are shared with the Company.

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

RESEARCH & DEVELOPMENT

The Company has 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 works with the Technical Services team 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 Expenditure on R&D 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 are as follows:-

No.	Project Title	Status
1	Dosage reduction of Collagen peptide for the treatment of osteoarthritis	Lab studies, preclinical and single dose toxicity studies are completed. Initiated clinical trial.
2	Bioactive collagen peptide for the treatment of Type 2 diabetes (Fish collagen peptide)	Stability studies completed. Product registration with FSSAI is in progress.
3	Bioactive collagen peptide for the treatment of Type 2 diabetes- Development of a cost effective variant using bovine collagen peptide.	In vitro efficacy evaluation is completed. Analysis of active ingredients are in progress.
4	Development of Wound care products	A collaborative study with Sree Chitra Institute of Medical Science being planned for proof of concept studies using collagen peptide and other active ingredients.
5	Development of sports and fitness nutrition formulations using collagen peptide.	Lab scale product development completed. Initiated product stability studies.
6	Formulation development of collagen drinks, ready to eat collagen peptide and collagen shots	Different formulations using collagen peptide and other nutraceutical ingredients are developed. Stability studies initiated.
7	Improvement of organoleptic characteristics and b value improvement of collagen peptide using different enzymes.	Lab studies and plant trials are completed. Significant improvement in b value and organoleptic characteristics of collagen peptide achieved.

Expenditure on R&D

Particulars	Rs. in lakhs	
	Current year	Previous year
a. Capital – R&D Centre Ossein Dvn. & Gelatin Division	4.89	32.99
Total Capital expenditure	4.89	32.99
b. Recurring expenses - Ossein Division R&D Centre, Gelatin Division R&D Centre &Bamni Division	145.52	145.15
Percentage to turnover (%)	0.51	0.68

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in Lacs)	
	Current year	Previous year
a. Earnings	12135.16	11614.68
b. Outgo	2518.74	1031.41

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

Particulars	Current year 2019-20	Previous year 2018-19
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (KWH in lacs)	291.47	268.04
Total Amount (Rs. In lacs)	1835.28	1697.28
Rate/Unit (Rs.)	6.3	6.33
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH in lakhs)	2.24	2.14
Unit per litre of Diesel Oil	2.5	2.5
Cost/Unit (Rs.)	26.85	28.35
2. Furnace Oil		
Quantity (in KL)	288	540
Total Amount (Rs. in lakhs)	113.6	186.40
Average rate (Rs. per KL)	39423.39	34532.50
3. Firewood		
Quantity (in MT)	36828	33084
Total Amount (Rs. in lakhs)	1181.88	994.45
Average rate (Rs. per MT)	3209.23	3005.80
4. LNG		
Quantity (in MMBTU)	14857.62	26099.09
Total Amount (Rs. in lakhs)	145.56	265.69
Average rate (Rs. per MMBTU)	979.73	1017.99
5. COAL		
Quantity (in MT)	3789	3541
Total Amount (Rs. in lakhs)	188.81	200.44
Average rate (Rs. per MMBTU)	4983.47	5660.98
Product - Ossein		
1. Electricity (KWH) per MT	2567	2543
2. Furnace Oil (KL)/MT	0	0
3. Firewood (MT)/MT	0.94	0.99
4. Coal (MT)/MT	0.53	0.54
Product - DCP		
1. Furnace Oil (KL)/MT	0.025	0.028
2. Coal (MT)/MT	0.53	0.54
Product – Gelatin		
1. Electricity (KWH) per MT	3259	3524
2. Furnace Oil (KL) per MT	0.02	0.09
3. Firewood (MT) per MT	7.71	7.98
4. LNG (MMBTU)/MT	9.13	8.74
Product – Collagen Peptide		
1. Electricity (KWH) per MT	6168.32	5619.85
2. Firewood (MT) per MT	5.75	6.03

Kochi
08.06.2020

Dr. K. Ellangovan IAS
Chairman
(DIN : 05272476)

ANNEXURE IV

Particulars of Employees

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

A. Requirements under Rule 5(1)		
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. Sajiv K. Menon, Managing Director – 31.01 (30.77) Shinya Takahashi, Director (Technical) - 4.45 (4.85)
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Sajiv K. Menon, Managing Director - 10.22% (3.32%) Key Managerial Persons: Dr. Shinya Takahashi, Director (Technical) – 0.20% (4.53%) Mr. P. Sahasranaman, CFO - 4.91% (14.01%) Mr. G. Rajesh Kurup, CS – 5.45% (8.83%)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	9.36% (2.12%)
(iv)	The number of permanent employees on the rolls of the Company;	470 permanent employees as on 31.03.2020
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of managerial personnel is 4.67% and that of non-managerial 8.41%.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid by the Company during the financial year 2019-20 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
08.06.2020

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, 2019 to 31st March, 2020.

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: 01.08.2019, 04.11.2019, 07.02.2020 and 08.06.2020.

Dr. K. Ellangovan IAS
Chairman
(DIN: 05272476)

Kochi
08.06.2020

ANNEXURE - VI

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH,2020.

[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 and Regulation 24 A of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)].

To

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue,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, 56/715,SBT Avenue, 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,2020 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,2020 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. **(Not applicable to the Company during audit period).**

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

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

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

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

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations,1998 **(Not applicable to the Company during audit period)**;

(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:

1.86TH Audit Committee Meeting of the Company was held on 6th May,2019 and the same was adjourned to 9th May,2019 since financial statements were not ready by the time. On the next day ie 7th May,2019, 87th meeting of the Audit Committee of the Company was held. 87th meeting of the Audit Committee was held in between the 86th original meeting and adjourned meeting ie on 7th May, 2019. It is pertinent to note that 87th Audit Committee meeting was held without completion of the 86th Audit Committee meeting since the adjourned meeting held on 9th May is the continuation of the original meeting. Company is advised to conduct the meetings in seriatim to avoid possible conflict in decision making.

2. As per the provisions of Foreign Exchange Management Act, ECB return has to be filed by the Company every month within 7 working days of the end of each month. On scrutiny of ECB returns filed during FY 2019-20, it is found that the following delay occurred in filing of the same;

Month	*Filing Date*	*Delay*
April, 2019	*08.05.19*	*1 day*
June, 2019	*08.07.19*	*1 day*
September, 2019	*10.10.19*	*3 days*

Company is advised to file ECB return in time in future.

3.The following e Forms have been filed by the company with delay as mentioned herein;

E Form	Particulars	Due Date	Date of filing	No of days of delay
IEPF-7	Amounts credited to IEPF Fund	14.09.19	20.09.19	6 days
DPT-3 (one time& yearly return)	Return of deposits	29.06.19& 30.06.19	27.08.19	59 & 58 days

4. As per Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listing fee has to be paid to stock exchanges before 30th April of every financial year. On scrutiny of the listing fee paid to BSE Ltd during FY 2019-20, it is found that there was 7 days delay in payment of listing Fee (Due date April 30). Company should ensure payment of listing fee within time to avoid interest on the late filing.

5.As per Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website. On analysis it is found that there is 39 days delay in submission of Related Party Transactions for half year ended 31.03.2019 (Consolidated basis)

I further report that

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

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

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

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

I further report,based on the information furnished and upon examination of documents, that apart from the pending transfer of GST Input Tax Credit and subsequent cancellation of Reva GSTIN, the Company had completed all post-merger activities inter alia the allotment of 44,44,444 Redeemable Preference Shares of Rs 10 each to Nitta Gelatin Inc. Japan as consideration of the merger on 20.11.2019.Consequently,the paid up capital of the Company had been increased to ₹ 29,32,36,080 w.e.f 20.11.2019. Hence, the company is advised to take immediate steps to transfer the GST Input Tax Credit and cancel GSTIN.

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.

Further as an advisory, as per RBI Circular No. Circular DBR.No.BP.BC.92/21.04.048/2017-18 dated November 2, 2017 read with Circular No. circular FMRD.FMID. No.10/11.01.007/2018-19 dated November 29, 2018 and circular FMRD.FMID.No.15/11.01.007/2018-19 dated April 26, 2019 corporate borrowers having a networth of less than Rs 2000 million and having total exposures of ₹ 50 crore (Fund based and Non fund based) and above to obtain Legal Entity Identification No.(LEI) by 31st march, 2020 which is again extended up to 30th September, 2020. Borrowers who do not obtain LEI as per the timelines are not to be granted renewal/enhancement of credit facilities. As per the information furnished Company has Rs. 88.03 Cr as Fund Based exposure and Rs 3.91 cr as Non Fund Based Exposure as on 31.03.2020 and hence Company is advised to obtain LEI on or before 30.09.2020 to avoid difficulties in obtaining credit facilities.

UDIN: A022601B000235704
C.P. No.: 14524

Abhilash Nediyalil Abraham
Practising Company Secretary
M. No. 22601, C.P. No. 14524
Bldg. No. 32/1721A,
Palliseri Kavala, N.H. Bypass,
Puthiya Road, Kochi 25

Date: 13.05.2020
Place: Kochi

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
56/715, SBT Avenue,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. Further, due to Covid 19 pandemic and subsequent lock down in India from 24th March onwards, wherever required ,I have carried out the Audit in accordance with the Guidance to Members in Practice to carry out professional assignments during Covid -19 pandemic dated 04.05.2020 issued by the Institute of Company Secretaries of India (ICSI).
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.

UDIN: A022601B000235704
C.P. No.: 14524

Abhilash Nediyalil Abraham
Practising Company Secretary
M. No. 22601, C.P. No. 14524
Bldg. No. 32/1721A,
Palliseri Kavala, N.H. Bypass,
Puthiya Road, Kochi 25

Date: 13.05.2020
Place: Kochi

ANNEXURE - VII

ANNUAL SECRETARIAL COMPLIANCE REPORT OF NITTA GELATIN INDIA LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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,

for the financial year ended31st March, 2020("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, 2018(Not applicable during the review period);

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

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 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;

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 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:-

Sl. No	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1	Regulation 14 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	As per Regulation 14, listing fee has to be paid to stock exchanges on or before30th April of every financial year. On scrutiny, it was found that there was 7 days delay in payment of listing fee with BSE Ltd.	Company should ensure payment of listing fee within time to avoid interest on the late filing.
2	Regulation 23(9) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	As per Regulation 23(9), the listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year,disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website. On analysis it is found that there was 39 days delay in submission of Related Party Transactions for half year ended 31.03.2019 (Consolidated basis)	Company is advised to submit disclosures of related party transactions on time.

(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:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2018-19	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Board Composition is not as per the provisions of the Regulation 17 of the LODR in as much as there was shortfall of Independent Directors in the Board for the shorter period between 03.08.2018 and 29.10.2018 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 were also fall below the minimum level.	-	Mr E. Nandakumar and Mr Yoichiro Sakuma , Independent Directors were appointed onto the Board and Committees on 29.10.2018 to meet the statutory requirements.	Noted
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.	-	Mr. A.K. Nair retired from Company on 02.08.2019	Since Mr. A.K. Nair retired from the Company the question of reappointment does not arose.

UDIN: A022601B000235968
C.P. No.: 14524

Date: 13.05.2020
Place: Kochi

Abhilash Nediyalil Abraham
Practising Company Secretary
M. No. 22601, C.P. No. 14524
Bldg. No. 32/1721A, Palliseri Kavala,
N.H. Bypass, Puthiya Road, Kochi 25

CORPORATE GOVERNANCE REPORT

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 including 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 eleven. 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 and institutions.

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

Five (5) Board Meetings were held during the financial year 2019-20 i.e, on 06.05.2019 adjourned to 09.05.2019, 04.06.2019, 01.08.2019, 04.11.2019 and 07.02.2020.

The composition and attendance at the Board Meetings and Annual General Meeting (AGM) during the financial year and the Directorships / Committee Memberships of the Directors in other Indian Companies as on 31.03.2020 were as follows:

Sl. No.	Name of the Directors	Category	Share holding in the Company	No. of Board Meetings attended/ Held	Attendance in last AGM, Yes or No	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
1	Dr. K. Ellangovan, IAS Nominee of KSIDC and Principal Secretary, Dept. of Industries and Commerce and Dept. of NORKA	Nominee Director representing KSIDC, TVM	Nil	3/5	Yes	-	8	-	-
2	Dr. Sharmila Mary Joseph, IAS, Nominee of KSIDC, Secretary, Dept. of Ayush (Nominated on 06.02.19 and ceased to be a Director on 26.09.2019)	Nominee Director representing KSIDC,TVM	Nil	1/2	No	-	-	-	-
3	Mr. M.G. Rajamanickam IAS, Nominee of KSIDC, Managing Director of KSIDC & Project Director Kerala State Transport Project (Appointed on 12.12.2019)	Nominee Director representing KSIDC TVM	Nil	0/5	No	-	3	-	-
4	Mr. Koichi Ogata	Promoter Director	Nil	1/5	No	President, Nitta Gelatin Inc.	-	-	-
5	Mr. Hidenori Takemiya	Alternate Director to Mr. Koichi Ogata	Nil	3/5	No	-	-	-	-

Sl. No.	Name of the Directors	Category	Share holding in the Company	No. of Board Meetings attended/ Held	Attendance in last AGM, Yes or No	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
6	Mrs. Radha Unni	Non-Executive Independent Director	Nil	5/5	Yes	-	7	2	-
7	Dr. K. Cherian Varghese	Non-Executive Independent Director	Nil	5/5	Yes	-	1	-	-
8	Mr. A.K. Nair (Ceased to be Independent Director on 02.08.2019)	Non-Executive Independent Director	66 Nos Equity Shares	3/3	Yes	-	6	-	-
9	Mr. E. Nandakumar	Non-Executive Independent Director	Nil	5/5	No	-	-	-	-
10	Retd. Justice M. Jaichandren (Appointed as Non-Executive Independent Director w.e.f 04.11.2019)	Non-Executive independent Director	Nil	2/2	No	-	-	-	-
11	Mr. Yoichiro Sakuma	Non-Executive independent Director	Nil	2/5	No	-	-	-	
12	Mr. Sajiv K. Menon	Executive Managing Director	Nil	5/5	Yes	Chairman, Bamni Proteins Ltd	1	-	-
13	Dr. Shinya Takahashi	Whole time Director	Nil	5/5	Yes	Director – Bamni Proteins Limited)	1	-	-

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 are Chairperson of more than 5 Committees across 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 meets the statutory requirement. The Directors are Dr. K Cherian Varghese, Mr. E. Nandakumar, Mrs. Radha Unni, Mr. Yoichiro Sakuma and Retd. Justice M. Jaichandren(w.e.f 04.11.2019), of whom all meet the prescribed criteria of Independence during the financial year.

Name of Directors corresponding to those of the Listed Companies where he/she continue as a Director including category of Directorship, in addition to Directorship in Nitta Gelatin India Ltd.

Sl. No.	Name of the Director	Name of the Listed Company	Category
1	Dr. K. Ellangovan, IAS	Bharath Petroleum Corporation Limited	Nominee Director
2	Dr. Sharmila Mary Joseph, IAS	Geojit Financial Services Limited	Nominee Director (up to 19/07/2019
3	Mrs. Radha Unni	1. Muthoot Capital Services Limited 2. V Guard Industries Limited 3. Western India Plywoods Limited	Independent Director
4	Mr. A.K. Nair	V Guard Industries Limited	Independent Director (Up to 29/07/2019)

Changes in Directors

Dr. Sharmila Mary Joseph, IAS ceased to be Nominee Director on 26.09.2019 upon withdrawal of the nomination by KSIDC. Whereafter, Mr. M.G. Rajamanickam, IAS was appointed as Nominee Director on 12.12.2019 by KSIDC.

Mr. A.K. Nair ceased to hold office on 02.08.2019 on completion of his tenure as Independent Director.

Retd. Justice M. Jaichandren was appointed as Additional Director qualifying as an Independent Director by the Board of Directors on 04.11.2019.

Familiarisation Programme

The Company has fully recognized the need for keeping 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 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 Directors are disclosed is under:

http://gelatin.in
uploads/homecontent /FAMILIARIZATION%20
PROGRAMMES_20160722105811_20190816112054.pdf

Separate Meeting of 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 2019-20 i.e, on 07.02.2020. 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 it to be satisfactory.

Code of Conduct

The Board approved the Code of Conduct applicable to the Board Members, the Senior Management personnel and employees of the Company at its Meeting held on 14.05.2007, 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 31.03.2020

a. Dr. K Ellangovan IAS, Chairman

A Senior Officer of the Indian Administrative Service, Dr. K. Ellangovan has held various high offices in Government. He joined the Indian Administrative Service from Kerala Cadre in the year 1992. He has served as the District Collector of Palakkad District, Managing Director of Kerala State Electricity Board Ltd, Kerafed, Kerala Tourism Development Corporation, Executive Director of Council for Leather Exports (Ministry of Commerce) Govt. of India and Deputy Chairman in Chennai Port Trust (Ministry of Shipping) and is presently serving as Principal Secretary, Department of Industries and Commerce and NORKA, Government of Kerala.

b. Mr. Sajiv K. Menon, Managing Director

Holds B.Tech in Chemical Engineering from NIT, Tiruchinapalli, PGDM (Fin.& Mktg.), from IIM, Bangalore, and a Fulbright Scholar from 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. Dr. Shinya Takahashi, Wholetime Director

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

d. Mr. M. G. Rajamanickam, IAS

Mr. M.G. Rajamanickam, IAS, is a Master of Engineering by academics. He joined the Indian Administrative Services from Kerala Cadre in the year 2008. He served as the District Collector of Kannur & Ernakulam, CMD of Kerala State Road Transport Corporation, Managing Director of Kerala Financial Corporation Ltd, Kerala Books & Publication Society and Kerala State IT Infrastructure Ltd etc. He is presently the Managing Director of Kerala State Industrial Development Corporation Limited (KSIDC).

e. Justice M. Jaichandren

Justice M. Jaichandren, holds Bachelor Degree of Arts and Masters Degree in Criminology, at the Department of Psychology, University of Madras. He has in all 46 years' standing in the Bar and Bench, of which 12 years beginning 10th Dec' 2005, he served as the Judge in the High Court of Madras. Presently, a Senior Advocate of Supreme Court of India, Mr. Justice Jaichandren, has many credentials acting as Honorary Professor of Law at Tamil Nadu Judicial Academy, Chennai, conducting cases of far reaching significance relating to issues involving Human Rights and Environmental problems besides undertaking many acclaimed roles including recognition as ' International Visitor" on Human Rights issues under invitation by United States of America representing the Country as Fellow of Session – 390, 'International Legal Perception on Human Rights' held at Salzburg, Austria. Justice M. Jaichandren, has been appointed as an Additional Director, qualifying as an Independent Director at the Board Meeting dated 04.11.2019.

f. Mr. E. Nandakumar

A Chemical Engineer with MBA, erstwhile Executive Director of BPCL Kochi Refinery, he has over 30 years' experience with Oil Refinery, Petrochemicals and Gas processing. Earlier, he was Director on the Board of Cochin Port Trust, Cochin International Air Port and Petronet CCK.

g. Mrs. Radha Unni

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

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 is a Senior Banker by profession. He was the General Manager in Indian Bank and served as the Chairman & CEO of South Indian Bank Ltd. during the period 1991-1996. He was an Executive Director of Central Bank of India, before holding the post as CMD of two leading Public Sector Banks namely Corporation Bank and Union Bank of India. He has also served as Member and Chairman of the Board for Industrial and Financial Reconstruction of Govt. of India.

K. Mr. Hidenori Takemiya

Mr. Hidenori Takemiya who alternated as Director for Mr. Koichi Ogata, is the Director & Executive Officer at NGI, Japan.

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

The SEBI (LODR) provisions introduced in the year 2019 prescribe that there shall contain a 'chart or a matrix' setting out the skills/expertise/competence of the Board of Directors specifying the following:

(i) The list of core skills, expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board;

(ii) The names of Directors who have skills/expertise/competence are detailed herein as part of (i) above;

In view of the above, the skills attributed to individual Directors constituting the Board were outlined, presented and confirmed at the Board Meeting on 07.02.2020 in order to form part of the Corporate Governance Report as herein below:

Skill Area (Essential attributes)	Description	Skills attributed to
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Guide in the development of effective strategies in the context of the strategic objectives, relevant policies and priorities.	All Directors
Policy Development	Ability to help identify key issues and opportunities and develop appropriate policies to define the parameters within which the organisation should operate.	All Directors
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise. Ability to help identify key risks in a wide range of areas including legal and regulatory compliance.	All Directors and especially Justice Jaichandren on matters relating to legal and regulatory compliance
	Experience in the appointment and evaluation of a CEO and senior executive managers.	All Directors
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	Shri. Dr. K. Cherian Varghese and Smt. Radha Unni besides MD, Mr. Sajiv. K. Menon and generally all other Directors especially, the Nominee Director of the Promoters.
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.	MD besides nominees of KSIDC who are in the Government, themselves.
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.	Nominee Director of the Promoters, besides MD. As above
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.	MD

Skill Area (Essential attributes)	Description	Skills attributed to
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.	MD, Nominee Director of the Promoters and Independent Directors.
Legal	Qualification and experience in legal practice with emphasis on: • Specialty Chemical Industry • Pharmaceutical Industry • Employment law • Health & Safety legislation	Justice Jaichandren
Geographic, Gender and cultural diversity	Geographic and cultural diversity on the board should be reflective of the diversity in the Industry.	Yes, it does.
	Equal gender representation should be sought for the board to reflect gender diversity of the Indian population.	Smt. Radha Unni
Human Resource Management	Qualification and experience in human resource management with an understanding of Industry and Employment law	Shri. E. Nandakumar and Shri. Dr. K. Cherian Varghese.
Information Technology/Digital Skills	Exposure to IT and/or Digital industries with an ability to guide in the application of new technology	MD/Director (Technical)

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 consistedof4 Non-Executive Independent Directors up to 02.08.2019. The Committee there after consists of Dr. K Cherian Varghese, Mr. E Nandakumar and Mrs.. Radha Unni as members upon retirement of Mr A.K Nair as Independent Director. Mrs. Radha Unni continues to be the Chairperson of the Committee. The Company had the requisite number of members on the Committee for the year 2019-20.

The terms of reference of the Audit Committee sufficiently cover the requirements of Section 177 of the Companies Act, 2013 and Regulation18 of the Securities and Exchange Board of India(Listing Obligations & Disclosure Requirements) Regulations 2015 and include overseeing of financial reporting process and development of financial information, ensuring the correctness of financial statements, reviewing with management, internal and external Auditors the adequacy of internal control system, reviewing the Company's financial and risk management policies and reviewing the related party transaction besides Internal Financial Controls and risk management systems. Mr. G. Rajesh Kurup, Company Secretary, acts as the Secretary of the Committee, as envisaged under law.

Six Audit Committee Meetings were held during the financial year 2019-20, the dates of which are01/05/2019, 06/05/2019 adjourned to 09/05/2019, 07/05/2019, 01/08/2019, 04/11/2019 and 07/02/2020.

The attendance of members is as follows:

Name of Directors	Category	No. of Meetings attended/Held
Mrs. Radha Unni	Chairperson	6/6
Mr. A.K. Nair	Member	4/4
Mr. E.K. Nandakumar	Member	6/6
Dr. K. Cherian Varghese	Member	6/6

Mrs. Radha Unni, as Chairperson of the Audit Committee, was present at the Annual General Meeting of the Company, held on 2ndAugust,2019 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 at least three Directors, all of them shall be Non-Executive directors and at least 50% of the Directors shall be Independent Directors. Accordingly,the Committee was comprised of Mr. A.K. Nair as Chairman with Dr. K. Cherian Varghese and Mr. E. Nandakumar as members up to 02.08.2019. Upon retirement of Mr A.K. Nair on 02.08.2019, Mr. Yoichiro Sakuma was inducted into the Committee and Dr. K. Cherian Varghese was appointed as Chairman of the Committee on 20/09/2019. The Company had the requisite number of members on the Committee for the year 2019-20.

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 2019-20, the Nomination and Remuneration Committee held Meetings on 01/05/2019, 06/05/2019adjourned to 09/05/2019 and 20/09/2019 and 07/02/2019.

The attendance of members is as follows:

Name	No. of Meetings attended/ Held
Mr. A.K. Nair	2/2
Mr. E. Nandakumar	4/4
Dr. K. Cherian Varghese	4/4
Mr. Yoichiro Sakuma	0/4

Performance Evaluation Criteria for Independent Directors

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

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

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

5. REMUNERATION OF DIRECTORS

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

(a) There is no pecuniary relationship of the Non-Executive Directors 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	61,000
Dr. Sharmila Mary Joseph	18,000
Mr. M.G. Rajamanickam, IAS	-
Dr. K Cherian Varghese	3,34,000
Mr. A.K. Nair	2,34,000
Retd. Justice M. Jaichandren	68,000
Mrs. Radha Unni	2,55,000
Mr. E. Nandakumar	3,16,000
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 2019-20

Name	Salary (Rs.)	PF (Rs.)	Incentive (Rs.)	Other Benefits (Rs.)	Total (Rs.)
Executive Directors:					
a) Managing Director: Mr. Sajiv K. Menon	93,35,340	5,79,780	22,98,000	48,42,456	1,70,55,576
b) Whole Time Director: Mr. Shinya Takahashi	16,20,000	-	-	8,26,583	24,46,583

Details of performance linked incentive- Managing Director

Incentive Criteria	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month
Actual Consolidated Net Profit before Tax in current period as compared to that as per Board Budget for the same period	up to 50%	100000	50.01 TO 80%	125000	80.01 TO 100%	150000	100.01 TO 110%	200000	Above 110.01%	250000
Increase in Total Revenue (consolidated) in current period compared to corresponding pr. yr. period	up to 5%	33100	5.01 to 7.5%	41600	7.51 to 10%	50000	10.01 to 15%	66500	Above 15.01%	82750
Total		133100		166600		200000		266500		332750

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 with Mr. A.K. Nair (Chairman), Dr. Shinya Takahashi and Mr. Sajiv K Menon as members up to 02.08.2019. Upon retirement of Mr. A.K. Nair,the Committee was reconstituted by inducting Mr. K. Cherian Varghese as Chairman of the Committee.

Name and designation of Compliance Officer: Mr. G. Rajesh Kurup, Company Secretary.
Number of shareholders complaints received so far: 1
Number not solved to the satisfaction of the shareholders: Nil
Number of pending complaints: Nil
All valid transfer requests received up to 31.03.2020 have been registered.

Stakeholders' Relationship Committee Meeting was held during the financial year 2019-20on 04/11/2019.

Name	No. of Meetings attended/Held
Mr. A.K. Nair	-
Dr. K. Cherian Varghese Chairman	1/1
Dr. Shinya Takahashi	1/1
Mr. Sajiv K. Menon	1/1

7. GENERAL BODY MEETINGS:

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

AGM	Financial Year	Day	Date	Time	Location
43rd	2019	Friday	02.08.2019	12.00 Noon	Fine Arts Hall, Ernakulam
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

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

Date of AGM	Nature of Special Resolution
02.08.2019	1. Re-appointment of Dr. Shinya Takahashi (DIN: 07809828) as a Whole-time Director designated as Director (Technical) 2. Payment of remuneration to Mr. Sajiv K. Menon (DIN: 00168228) Managing Director, in the wake of inadequacy of profit for the financial year
03.08.2018	Nil
24.06.2017	Nil

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

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

(d) The Company does not intend as of now to pass any special resolution through postal ballot during the financial year 2020-21; 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: 04.08.2020 at 10.00 A.M. through Video Conferencing.

ii) Financial Year: 1st April 2019 to 31st March 2020.

iii) Date of book closure: 29.07.2020 to 04.08.2020 (both days inclusive)

iv) Dividend payment date: (if declared at the Annual General Meeting) latest by20th August 2020

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.
Phiroze Jeejeebhoy Towers,
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, 2019 to March, 2020is given below.

Year	Month	Market price of NGIL shares		BSE Sensex	
		High	Low	High	Low
2019	April	132.00	120.10	39,487.45	38,460.25
	May	129.00	114.30	40,124.96	36,956.10
	June	131.55	96.15	40,312.07	38,870.96
	July	126.00	98.20	40,032.41	37,128.26
	August	110.05	88.00	37,807.55	36,102.35
	September	118.00	92.55	39,441.12	35,987.80
	October	107.80	92.05	40,392.22	37,415.83
	November	144.50	97.65	41,163.79	40,014.23
	December	139.80	118.00	41,809.96	40,135.37
2020	January	154.00	123.25	42,273.87	40,476.55
	February	154.00	123.90	41,709.30	38,219.97
	March	131.80	72.30	39,083.17	27,500.79

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 as members. Upon retirement of Mr. A. K. Nair on 02.08.2019 and on 04.11.2019,Mrs. Radha Unni, Director was inducted to the share transfer Committee as Chairperson. During the year, the Committee held three Meetings.

Distribution of Shareholding and Shareholder’s Profile:

a) Distribution of shareholding as at 31st March, 2020

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
10001and 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, 2020

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, 2020, there are 8931247shares, representing 98.37 %of equity paid-up share capital indematerialised form. This includes 8081188shares (89.01%) in NSDL and 850059shares (9.36%) 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 31.3.2020) - 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, Cherthala Taluk, Alappuzha.
4. 832, GIDC Jhagadia, Jhagadia, Bharuch, Gujarat, 393110

xvi) Address for investor correspondence:

1.CAMEO Corporate Services Ltd,
"Subramanian Building",
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 "Material"Subsidiaries is disclosed is:

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

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

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

(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 :Rs. 25,00,000/-

(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 31.03.2020.

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 31.03.2020.

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 Certificate
(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, 2020 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 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/-	Sd/-
SAJIV K MENON	P. SAHASRANAMAN
MANAGING DIRECTOR	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, 2020.

Sd/-

Sajiv K. Menon
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi-682 036.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nitta Gelatin India Limited having CIN L24299KL1975PLC002691 and having registered office at 56/715, SBT Avenue, Panampilly Nagar, Ernakulam, Kochi-682036 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Dr. K. Ellangovan	05272476	28/02/2018
2	M. G.Rajamanickam	06847977	12/12/2019
3	Koichi Ogata	07811482	09/05/2017
4	Radha Unni	03242769	11/07/2014
5	Dr. K. Cherian Varghese	01870530	08/09/2015
6	E. Nandakumar	01802428	29/10/2018
7	Retd. Justice M. Jaichandren	08584025	04/11/2019
8	Yoichiro Sakuma	08237722	29/10/2018
9	Sajiv K. Menon	00168228	20/12/2013
10	Dr. Shinya Takahashi	07809828	09/05/2017
11	Hidenori Takemiya	08249254	29/10/2018

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: A022601B000226233
C.P. No.: 14524

Place: Kochi -25
Date: 11.05.2020

Sd/-
Abhilash Nediyalil Abraham
Practising Company Secretary
M.No.22601, C.P. No.14524
Bldg No. 32/1721A, Palliseri Kavala
N.H. Bypass, 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 of 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, 2020. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company management. My examination was limited to procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial 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 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, 2020 except that there was 39 days delay in filing of Consolidated Related Party Transactions under Regulation 23(9) for the half year ended 31.03.2019 with BSE Ltd.

UDIN :A022601B000226299
C.P. No.: 14524

Place: Kochi
Date: 11.05.2020

Sd/-

Abhilash Nediyalil Abraham
Practising Company Secretary
M.No.22601, C.P. No.14524
Bldg No. 32/1721A, Palliseri Kavala
N.H. Bypass, Puthiya Road, Kochi -25

Independent Auditor's Report

To the Members of Nitta Gelatin India Limited

Report on the Audit of 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 2020, 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 of the Company as at 31 March 2020, and its profit (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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement,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.

5. We have determined the matter(s) described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>(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 2020:

i. Customs duty - ₹1,968.36 lakhs
ii. Water cess - ₹ 653.01 lakhs
iii. Other tax matters - ₹ 1,248.67 lakhs

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 profits 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 judgements 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 judgement, 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.</td><td>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.</td></tr>
</table>

(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 3.01 of the accompanying Standalone financial statements) As at 31 March 2020, the Company is carrying Property, Plant and Equipment ('PPE') aggregating to ₹ 11,561.31 lakhs in its financial statements. These balances are subject to a test of impairment by the management where impairment indicators exist. As mentioned in note No. 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 2020, in the manner prescribed under Ind AS 36 – Impairment of Assets, an impairment loss of ₹310.73 lakhs recognized in the current year. 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. 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 walk through 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 the business plans of the Company, used in the valuation of the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Involved valuation specialists to test the Management's assumptions used for determining the value-in-use of the cash generating unit and obtained adequate supporting documents with respect to the impairment loss recognised in the current year. • 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.

(c) **Inventory existence** (Refer note 3.07 the accompanying Standalone financial statements) As at 31 March 2020, the Company held inventories of ₹ 8,328.84 lakhs as disclosed in Note 3.07 to the standalone financial statements. Inventories mainly consist of raw materials, work in progress, finished goods, stores and spares and others. As per the Company's inventory verification plan, management performs physical verification of inventory at all locations, under the supervision of finance team, at each quarter. Due to Covid-19 outbreak and related lock-down restrictions, management was unable to perform the year end physical verification of inventories on 31March 2020. The physical verification was carried out subsequent to year end on different dates in various locations and performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date. Considering the above, we have reassessed our audit approach with respect to assessing the existence and condition of physical inventory as at year end and adopted alternate audit procedures as further described in our audit procedures. Considering the significance and size of the Inventory at the year end, reliance on roll-back and other alternate procedures, existence of inventory is considered as a key audit matter for the current year audit.	Our audit work included, but was not restricted to, the following procedures: • Obtained understanding of management process of inventory management and inventory physical verification performed subsequent to year end; • Evaluated the design effectiveness of controls over inventory management process/inventory physical verification and tested key controls for their operating effectiveness; • Inspected the physical count procedures carried out by the management subsequent to year end; • During the above inspection, we noted whether the instructions given by management to stock count teams were followed, including ensuring proper segregation of stock, separate identification of goods received after year end, identification of obsolete inventory, if any, etc. • Obtained management's inventory count records (count sheets) and reconciliation with the Company's perpetual inventory records. • Tested the reconciliation of differences, if any, between management physical count and inventory records including accounting of such variances basis management approval; • Tested management's roll-back of the inventory count performed at locations on sample basis from date of count to 31 March 2020 and, tested completeness, arithmetical accuracy and validity of the data used for the procedures; • Performed physical inventory count for certain location subsequent to year end; and • Appointed independent auditor's experts for observing inventory counts at certain locations.

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

6. 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 standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, 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 judgements 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.

8. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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;

12. 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.

13. 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.

14. 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 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.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors in excess of limits laid down under section 197 read with Schedule V to the Act by ₹ 98.66 lakhs, for which requisite approval of the shareholders has been obtained by the Company by passing a special resolution in the Annual General Meeting held on 02 August 2019 in accordance with the provisions of section 197(1) read with Schedule V of the Act, as also mentioned in Note 3.29 to the accompanying standalone financial statements.

16. 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.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit,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 accompanying standalone financial statements;

    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 2020 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 08June 2020 as per Annexure II expressed unmodified opinion; and

    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 2020;

    ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

    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 March2020; 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
UDIN: 20206229AAAABI4894

Place: Kochi
Date: 08 June 2020

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 2020

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 fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties which were transferred as a result of amalgamation of companies 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 2020 (₹ in lakhs)	Net block on 31 March 2020 (₹ in lakhs)	Remarks
Land	1	Leasehold	622.69	558.45	The title deeds are in the name of Reva Proteins Limited,erstwhile subsidiary company that was merged with the Company except for 12,486.25 square meters of land at Jhagadia Industrial Estate, Bharuch District, Gujarat (Net Book Value of ₹ 71.83 lakhs) as stated in Note No 3.01 to the standalone financial statements whose title deed are in the name of GIDC.
Building	1	Freehold	1,668.23	787.79	The title deeds are in the name of Reva Proteins Limited, erstwhile subsidiary 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 no material discrepancies between physical inventory and book records were noticed on physical verification.

(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 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, to the appropriate authorities. 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 (₹ in lakhs)	Period to which the amount relates	Due Date	Remarks
The Kerala Irrigation and Water Conservation Act, 2003 and The Water (Prevention and Control of Pollution) Cess Act, 1977	Water cess	8.92	July2011, August 2011, April 2016, May 2016 and January 2017 to September 2017	Notice dated 14 November 2011	Payment of dues is made based on the order of assessment received under the Water (Prevention and Control of Pollution)

(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 (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	178.83	11.61	AY 2009-10 to 2014-15	Commissioner of Income Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax	711.04	-	FY 2011-12	Deputy Commissioner of Sales Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax	12.37	12.37	FY 2009-10	Deputy Commissioner of Sales Tax (Appeals)
Kerala Value Added Tax Act, 2003	Value Added Tax	48.56	14.31	FY 2010-11	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	88.70	15.23	FY 2010-11, 2011-12, 2013-14 and 2014-15	Deputy Commissioner of Sales Tax (Appeals)

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom duty	1,968.36	65.78	FY 2011-12 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944	Central excise	350.75	-	FY 2003-04 to 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Central Excise Act, 1944	Central excise	7.21	0.36	FY 2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Service tax	35.50	1.39	FY 2010-11 to 2012-13	Commissioner (Appeals)
Finance Act, 1994	Service tax	3.68	0.18	FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Interest on service tax demands	32.28	-	FY 2010-11 to 2012-13	Commissioner (Appeals)

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

(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 managerial remuneration in excess of the limits laid down under section 197 of the Companies Act, 2013 read with Schedule V of the Act by ₹ 98.66 lakhs, for which requisite approval of the shareholders has been obtained by the Company by passing a special resolution in the Annual General Meeting held on 02 August 2019 in accordance with the provisions of section 197(1) 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
UDIN: 20206229AAAABI4894

Place: Kochi
Date: 08 June 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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
UIN: 20206229AAAABI4894

Place: Kochi
Date:08 June 2020

Nitta Gelatin India Limited
Balance Sheet as at 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3.01	11,561.31	12,586.31
(b) Capital work-in-progress	3.01	407.66	318.46
(c) Other intangible assets	3.02	23.52	26.06
(d) Financial assets			
(i) Investments	3.03	437.17	442.39
(ii) Loans	3.04	385.62	400.83
(iii) Other financial assets	3.05	99.90	33.43
(e) Non-current tax assets (net)		2,138.73	1,902.30
(f) Other non-current assets	3.06	819.92	562.88
		15,873.83	**16,272.66**
Current Assets			
(a) Inventories	3.07	8,328.84	6,441.62
(b) Financial assets			
(i) Trade receivables	3.08	2,707.07	5,329.24
(ii) Cash and cash equivalents	3.09	97.96	401.06
(iii) Bank balances other than cash and cash equivalents	3.10	75.88	115.07
(iv) Loans	3.04	7.00	23.84
(v) Other financial assets	3.05	108.74	296.24
(c) Other current assets	3.06	542.10	596.22
		11,867.59	**13,203.29**
Total Assets		**27,741.42**	**29,475.95**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	3.11	907.92	907.92
(b) Other equity	3.12	13,409.39	13,346.02
		14,317.31	**14,253.94**
LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	2,868.92	3,386.28
(b) Provisions	3.17	189.73	199.82
(c) Deferred tax liabilities (net)	3.14	185.26	216.94
		3,243.91	**3,803.04**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	4,317.00	6,126.74
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	3.15	60.12	1.47
b) Total outstanding dues of creditors other than micro and small enterprises	3.15	2,137.15	2,122.49
(iii) Other financial liabilities	3.16	1,677.29	939.56
(b) Other current liabilities	3.18	984.58	969.12
(c) Provisions	3.17	291.43	235.99
(d) Current tax liabilities (net)		712.63	1,023.60
		10,180.20	**11,418.97**
Total Equity and Liabilities		**27,741.42**	**29,475.95**

See accompanying notes forming part of these standalone financial statements.

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

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 June 2020

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in are ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
INCOME			
Revenue from operations	3.19	29,447.84	26,119.80
Other income	3.20	329.85	70.51
Total income		**29,777.69**	**26,190.31**
EXPENSES			
Cost of materials consumed	3.21	15,595.01	10,851.44
Purchases of stock-in-trade		-	294.87
Changes in inventories of finished goods and work-in-progress	3.22	(1,792.30)	479.64
Employee benefits expense	3.23	3,469.67	3,259.45
Finance costs	3.24	753.45	789.41
Depreciation and amortisation expense	3.25	1,495.88	1,435.49
Other expenses	3.26	9,568.05	9,446.54
Total expenses		**29,089.76**	**26,556.84**
Profit / (Loss) before tax		**687.93**	**(366.53)**
Tax expense			
Current tax		118.00	-
Income tax relating to earlier years		(310.97)	-
Minimum alternate tax credit entitlement		(118.00)	-
Deferred tax	3.36	209.36	(102.87)
Profit / (Loss) for the year		**789.54**	**(263.66)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Re-measurement (loss) / gain in defined benefit plans		(65.37)	(5.29)
Income tax relating to items that will not be reclassified to profit or loss		19.03	1.85
		(46.34)	**(3.44)**
b) Measurement of financial assets through other comprehensive income		(5.22)	2.96
Income tax relating to items that will not be reclassified to profit or loss		1.08	(0.62)
		(4.14)	**2.34**
Net of items that will not be reclassified to profit or loss:		**(50.48)**	**(1.10)**
Items that will be reclassified subsequently to profit or loss:			
a) (Loss) / Gain recognised on cash flow hedges		(758.68)	174.57
Income tax relating to items that will be reclassified to profit or loss		220.93	(61.00)
Net of items that will be reclassified subsequently to profit or loss:		**(537.75)**	**113.57**
Total other comprehensive (loss)/ income, net of tax		**(588.23)**	**112.47**
Total comprehensive income / (loss) for the year		**201.31**	**(151.19)**
Earnings per equity share (₹ per share)	3.27		
Basic		**8.70**	**(2.90)**
Diluted		**8.70**	**(2.90)**

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

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Place: Kochi
Date: 8 June 2020

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Cash Flow Statement for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flows from operating activities		
Profit / (Loss) before tax	**687.93**	**(366.53)**
Adjustments for:		
Depreciation and amortisation expense	1,495.88	1,435.49
Loss on disposal of Property, plant and equipment (net)	7.83	20.91
Provision for impairment on Plant and equipment	310.73	-
Finance costs	753.45	789.41
Interest income	(12.87)	(35.64)
Dividend income from non-current investments	(210.30)	(0.42)
Liabilities no longer required written back	(0.30)	(31.58)
Reversal of Allowances for expected credit loss on trade receivables	-	(9.19)
Unrealised foreign exchange (gain)/loss (net)	(144.45)	38.10
Operating profit before working capital changes	**2,887.90**	**1,840.55**
Adjustments for working capital changes:		
Decrease in trade receivables, other financial assets and other current assets	1,856.73	693.21
(Increase) / Decrease in inventories	(1,887.22)	793.81
Increase / (Decrease) in trade payables, other financial liabilities and other current liabilities	708.90	(144.94)
Decrease in provisions	(20.02)	(145.17)
	658.39	**1,196.91**
Cash generated from operations	**3,546.29**	**3,037.46**
Income taxes paid	(236.43)	(256.57)
Net cash generated from operating activities	**3,309.86**	**2,780.89**
B. Cash flows from investing activities		
Payments for purchase of Property, plant and equipment and Capital work-in-progress	(876.03)	(1,630.96)
Proceeds from disposal of Property, plant and equipment	7.99	18.66
(Increase) / Decrease in other bank balances with maturity more than three months	(28.66)	276.56
Interest received	13.38	35.11
Dividend received	210.30	0.42
Net cash used in investing activities	**(673.02)**	**(1,300.21)**
C. Cash flows from financing activities		
Repayment of non-current borrowings (net)	(423.80)	(442.83)
(Repayment) / Proceeds from current borrowings (net)	(1,651.46)	103.43
Dividend paid	(136.94)	(226.43)
Tax paid on dividend	(2.38)	(46.66)
Interest paid	(725.36)	(773.12)
Net cash used in financing activities	**(2,939.94)**	**(1,385.61)**
Net (decrease) / increase in cash and cash equivalents	**(303.10)**	**95.07**
Cash and cash equivalents at beginning of the year	**401.06**	**305.99**
Cash and cash equivalents at the end of the year	**97.96**	**401.06**
	(303.10)	**95.07**
Components of Cash and cash equivalents		
a) Cash on hand	7.56	3.15
b) Balance with banks:		
- in current accounts	90.40	377.41
- in deposit accounts with a maturity of less than three months	-	20.50
	97.96	**401.06**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2018	Cash flows	Non cash changes	As at March 31 2019
Non-current borrowings (including current maturities)	4,425.28	(442.83)	(12.91)	3,969.54
Current borrowings	5,932.37	103.43	90.94	6,126.74

Nitta Gelatin India Limited

Cash Flow Statement for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2019	Cash flows	Non cash changes	As at March 31 2020
Non-current borrowings (including current maturities)	3,969.54	(423.80)	51.68	3,597.42
Current borrowings	6,126.74	(1,651.46)	(158.28)	4,317.00

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes forming part of these standalone financial statements.

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

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

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Place: Kochi
Date: 8 June 2020

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Statement of Changes in Equity for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

	Equity shares	
Equity shares of ₹10 each, fully paid-up	**No. of Shares**	**Amount**
As at 1 April 2018	**9,079,160**	**907.92**
Add: Issued and subscribed during the year	-	-
As at 31 March 2019	**9,079,160**	**907.92**
Add: Issued and subscribed during the year	-	-
As at 31 March 2020	**9,079,160**	**907.92**

B. Other equity

	Reserves and Surplus						Items of other comprehensive income			
	Securities premium	Retained earnings	Special export reserve	Capital reserve due to merger	Other equity	General reserve	Hedge reserve	Equity instruments through other comprehensive income	Other items of other comprehensive income / (loss)	Total
Balance as at 1 April 2018	2,895.90	(769.09)	79.00	2,750.62	984.43	7,836.64	15.62	7.17	(29.44)	**13,770.85**
Profit for the year	-	(263.66)	-	-	-	-	-	-	-	**(263.66)**
Other comprehensive income/(loss)(net of tax)	-	-	-	-	-	-	113.57	2.34	(3.44)	**112.47**
Dividend paid during the year	-	(226.98)	-	-	-	-	-	-	-	**(226.98)**
Corporate dividend tax	-	(46.66)	-	-						**(46.66)**
Balance as at 31 March 2019	**2,895.90**	**(1,306.39)**	**79.00**	**2,750.62**	**984.43**	**7,836.64**	**129.19**	**9.51**	**(32.88)**	**13,346.02**
Profit for the year	-	789.54	-	-	-	-	-	-	-	**789.54**
Other comprehensive income/(loss)(net of tax)	-	-	-	-	-	-	(537.75)	(4.14)	(46.34)	**(588.23)**
Dividend paid during the year	-	(135.56)	-	-	-	-	-	-	-	**(135.56)**
Corporate dividend tax	-	(2.38)	-	-	-	-	-	-	-	**(2.38)**
Balance as at 31 March 2020	**2,895.90**	**(654.79)**	**79.00**	**2,750.62**	**984.43**	**7,836.64**	**(408.56)**	**5.37**	**(79.22)**	**13,409.39**

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 June 2020

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, 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 and collagen peptide. The Company's shares are listed for trading on BSE Limited in India.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 8 June 2020.

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).

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

The Financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except otherwise indicated.

The accounting policies have been applied consistently over all the periods presented in this Financial Statements except where newly issued accounting standard is initially adopted.

Previous year figures have been re-grouped / reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

b) Change in accounting policies and disclosures

i. Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases", as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. 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 application of Ind AS 116 did not have material impact on the Financial Statements.

ii. The Company has adopted Ind AS 12 "Income Taxes" as per Appendix C to Ind AS 12. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. The application of the amended provision to Ind AS 12 did not have material impact on the Financial Statements.

iii. The Company has adopted Ind AS 23 " Borrowing Costs" as amended, which requires the entity to calculate and apply the capitalisation rate on general borrowings, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale and that borrowing becomes part of the funds that entity borrows generally. This amendment is also did not have a material impact on the Financial Statements.

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.

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.

i. Classification of leases

The Company enters into leasing arrangements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

for some assets. The Company has detemined, based on an evaluation of the terms and conditions of the arrangement, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note No.3.35, for effect of transition to Ind AS 116 and other disclosures relating to leases.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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.

vii. 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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.

For qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use

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 to 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 amortise intangible assets 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be relaibly measured.

i. *Sale of goods*
   Revenue from the 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 of time, i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.
ii. *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.
iii. *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.
iv. *Dividends*
   Revenue is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.
v. *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 or 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

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

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:

i. Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed

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(All amounts are in ₹ Lakhs, unless otherwise stated)

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 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.

ii. 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

Effective from 1st April 2019, the Company adopted Ind AS 116-Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective methode on the date of initial application i.e. 1st April 2019.

At inception of a contract, theCompany assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee
The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Subsequently the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17
Finance Lease
In the comparative period, 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.

Operating Lease

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(All amounts are in ₹ Lakhs, unless otherwise stated)

In the comparative period, 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.

ii. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

k) Foreign currency transactions

i. Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These Financial Statements are presented in Indian Rupees (₹).

ii. 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 qualifying assets 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. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. 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. 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

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

Minimum Alternate Tax (MAT) credit is recognized 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 MAT credit becomes eligible to be recoginized 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

i. 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

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passage of time is recognised as interest expense.

ii. 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.

iii. 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

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

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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.

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:

i. *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.

ii. *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.

iii. *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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

the EIR amortisation process.

iv. 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.

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

v) Cash and cash equivalents
Cash and cash equivalent in the statement of financial position comprises of 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
Dividend to the companies Equity Shareholders are recognized when the dividends are approved for payment by the shareholders.

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

form broadly part of one product group and hence constitute a single business segment.

z) Earnings 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. 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

aa) Business Combinations 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.

ab) New standards and interpretations not yet adopted
The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01 Property, plant and equipment (PPE) & Capital work-in-progress

	Freehold Land	Right of Use Asset Leasehold Land	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital work-in-progress
Gross carrying amount									
Balance as at 1 April 2018	**440.71**	**884.18**	**2,669.91**	**9,876.46**	**45.53**	**122.97**	**72.33**	**14,112.09**	**1,004.53**
Additions	1.33	-	556.15	1,688.53	14.60	62.58	0.05	2,323.24	286.56
Disposals	-	-	18.03	239.71	4.23	45.74	-	307.71	972.63
Balance as at 31 March 2019	**442.04**	**884.18**	**3,208.03**	**11,325.28**	**55.90**	**139.81**	**72.38**	**16,127.62**	**318.46**
Additions	-	-	101.68	638.26	10.91	22.56	9.56	782.97	370.17
Disposals	-	-	8.00	114.02	0.74	6.28	11.62	140.66	280.97
Balance as at 31 March 2020	**442.04**	**884.18**	**3,301.71**	**11,849.52**	**66.07**	**156.09**	**70.32**	**16,769.93**	**407.66**
Accumulated depreciation and impairment									
Balance as at 1 April 2018	**-**	**107.24**	**479.19**	**1,704.30**	**16.00**	**61.72**	**32.08**	**2,400.53**	**-**
Depreciation charge for the year	-	9.10	230.69	1,110.06	9.48	42.83	12.63	1,414.79	-
Disposals	-	-	14.63	211.93	4.00	43.45	-	274.01	-
Balance as at 31 March 2019	**-**	**116.34**	**695.25**	**2,602.43**	**21.48**	**61.10**	**44.71**	**3,541.31**	**-**
Depreciation charge for the year	-	9.10	235.16	1,176.86	10.35	41.50	10.64	1,483.61	-
Impairment Loss (refer note f below)	-	-	-	310.73	-	-	-	310.73	
Disposals	-	-	5.75	105.40	0.73	5.97	9.18	127.03	-
Balance as at 31 March 2020	**-**	**125.44**	**924.66**	**3,984.62**	**31.10**	**96.63**	**46.17**	**5,208.62**	
Net carrying amount									
As at 31 March 2019	**442.04**	**767.84**	**2,512.78**	**8,722.85**	**34.42**	**78.71**	**27.67**	**12,586.31**	**318.46**
As at 31 March 2020	**442.04**	**758.74**	**2,377.05**	**7,864.90**	**34.97**	**59.46**	**24.15**	**11,561.31**	**407.66**

Note:

a. Contractual obligations
Refer note 3.32.

b. Capitalised borrowing cost
There is no borrowing costs capitalised during the year ended 31 March 2020 (31 March 2019: Nil).

c. Property, plant and equipment pledged as security
Refer note 3.28.

d. Plant & Equipment include Research & Development Assets capitalised during the year ₹ 4.89 Lakhs (31 March 2019 - ₹ 32.99 Lakhs) (Refer note 3.26.1)

e. The Gross Carrying value, Accumulated depreciation and Net Carrying value as at 31 March 2020 and 31 March 2019 includes the assets of M/s Reva Proteins Limited, erstwhile subsidiary company, (the 'Transferor company') which was merged with the Company w.e.f. 01 April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27 March 2019. The carrying value of assets and liabilities of the Transferor company as of 01 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 for the assets of the company at its Reva division, Bharuch, the company has conducted an impairment testing of the carrying value of Property, Plant and Equipment Assets as at 31 March 2020 in the manner prescribed in Ind AS 36. Based on cash flow projections made by the company, the recoverable amount of the group of assets is determined to be ₹ 2677.78 Lakhs as against the carrying amount of ₹ 2988.51 Lakhs and therefore the company has made a provision for impairment in Plant and Equipment to the extent of ₹ 310.73 Lakhs during the year ended 31 March 2020. The impairment provision is included within other expenses in the statement of profit and loss.

g. Right of Use Asset includes "Leasehold land" which represents land obtained on long term lease from various Government authorities. The same has been reclassified to Right of Use Assets on account of adoption of Ind AS 116 "Leases"

Leasehold land 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 allotted to and taken possession by the Transferor 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 transfer in the name of the Company) and in respect of the balance area of 12,486.25 square metres (Net Book Value of ₹ 71.83 Lakhs), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.02 Other Intangible assets

	Software	Total
Gross carrying amount:		
Balance as at 1 April 2018	**84.17**	**84.17**
Additions	2.36	2.36
Disposals	8.65	8.65
Balance as at 31 March 2019	**77.88**	**77.88**
Additions	11.92	11.92
Disposals	2.19	2.19
Balance as at 31 March 2020	**87.61**	**87.61**
Accumulated depreciation	**33.90**	**33.90**
Amortisation for the year	20.70	20.70
Disposals	2.78	2.78
Balance as at 31 March 2019	**51.82**	**51.82**
Amortisation for the year	12.27	12.27
Disposals	-	-
Balance as at 31 March 2020	**64.09**	**64.09**
Net carrying amount		
As at 31 March 2019	**26.06**	**26.06**
As at 31 March 2020	**23.52**	**23.52**

Note:

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 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
3.03	**Investments**		
	a) Investments in Equity Instruments		
	At FVOCI, Quoted		
	(a) 4,200 (4,200) Equity Shares of ₹1 each in State Bank of India, fully paid up	8.27	13.47
	(b) 100 (100) Equity Shares of ₹10 each in Industrial Finance Corporation of India Limited, fully paid up	-	0.02
	Aggregate amount of quoted investments	**8.27**	**13.49**
	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	350.00	350.00
	At FVTPL, Unquoted		
	(a) 60,000 (60,000) fully paid up Equity Shares of ₹10 each in Kerala Enviro Infrastructure Limited	6.00	6.00
	(b) 300,000 (300,000) fully paid up Equity Shares of ₹10 each in Seafood Park India Limited	31.50	31.50
	(c) 50,000 (50,000) fully paid up Equity Shares of ₹10 each in Cochin Waste 2 Energy Private Limited	5.00	5.00
	Less: Provision for impairment of investments	(5.00)	(5.00)
	(d) 414,000 (414,000) fully paid up equity shares of ₹10/- each in Narmada Clean Tech Limited #	41.40	41.40
	Aggregate amount of unquoted investments	**428.90**	**428.90**
	Total Investments	**437.17**	**442.39**

these investments are in the name of the transferor company which is currently pending for transfer in the name of the Company. Refer note 3.41.

3.04	**Loans**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	380.44	383.50
	Loan to employees	5.18	17.33
		385.62	**400.83**
	Current		
	(Unsecured, considered good)		
	Security deposits	3.38	3.22
	Loan to employees	3.62	20.62
		7.00	**23.84**
3.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Balances with banks - Deposit accounts*	85.45	17.60
	Earmarked balances with banks for unpaid dividend**	14.45	15.83
		99.90	**33.43**
	Current		
	(Unsecured, considered good)		
	Advances recoverable in cash or in kind	75.95	81.61
	Hedge asset	-	198.46
	Interest receivable	10.36	10.87
	Others	22.43	5.30
		108.74	**296.24**

* Balance with banks in Deposit accounts include deposits held as security against Letter of Credits/ Guarantee with a maturity of more than twelve months.

** Not due for deposit in the investor education and protection fund.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
3.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	Capital advance	28.28	37.23
	Export incentive receivable [refer note (a) below]	624.17	356.08
	VAT refund receivable	88.27	85.91
	Deposit with government authorities	78.16	83.27
	(Unsecured, considered doubtful)		
	Export incentive receivable [refer note (a) and (b) below]	177.76	177.76
	Less: Provision for doubtful advances	(177.76)	(177.76)
		819.92	**562.88**
	Current		
	(Unsecured, considered good)		
	Advances to suppliers and contractors	135.56	105.93
	Prepaid expenses	118.62	154.97
	Balances with statutory authorities	38.26	127.64
	Export incentive receivable	249.66	207.68
		542.10	**596.22**

Export incentives receivable includes:

(a) Claims amounting to ₹ 208.18 Lacs (31 March 2019: ₹ 208.18 Lacs) 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 ₹ 41.51 Lakhs (31 March 2019: ₹ 41.51 Lakhs). 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 prudence.

(b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to ₹ 64.62 Lakhs (31 March 2019: ₹ 64.62 Lakhs) 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.

		As at 31 March 2020	As at 31 March 2019
3.07	**Inventories**		
	Raw materials	1,752.77	1,439.88
	Raw materials in-transit	81.65	146.42
	Work-in-progress	3,709.81	2,849.47
	Finished goods	2,073.80	1,141.84
	Stores and spares	652.26	789.49
	Others	58.55	74.52
		8,328.84	**6,441.62**

Method of valuation of inventories - Refer 2(m) of Significant Accounting Policies.

For inventories pledged as security refer note 3.28

		As at 31 March 2020	As at 31 March 2019
3.08	**Trade receivables**		
	Considered good - Unsecured	1,596.10	2,374.80
	Receivable from related parties (refer note 3.29)	1,110.97	2,954.44
	Credit impaired	45.05	45.05
		2,752.12	**5,374.29**
	Less: Allowance for doubtful trade receivables	(45.05)	(45.05)
		2,707.07	**5,329.24**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
3.09	**Cash and cash equivalents**		
	Balance with banks (with maturity less than three months)		
	- In current accounts	90.40	377.41
	- In deposit Accounts*	-	20.50
	Cash on hand	7.56	3.15
		97.96	**401.06**
3.10	**Bank balances other than cash and cash equivalents**		
	Balance with Banks (with maturity more than three months but less than twelve months)		
	- In deposit Accounts*	75.88	115.07
		75.88	**115.07**

* Balance with banks in Deposit accounts include ₹ 65.20 Lakhs (31 March 2019: ₹ 127.83 Lakhs) with a maturity period of less than 12 months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit.

3.11 Equity share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity share of ₹ 10 each	40,000,000	4,000	40,000,000	4,000
Optionally convertible non cumulative preference shares of ₹ 170 each	929,412	1,580	929,412	1,580
Optionally convertible non cumulative preference shares of ₹ 10 each	20,000,000	2,000	20,000,000	2,000
Redeemable preference shares of ₹ 10 each	4,444,444	444.44	4,444,444	444.44
	65,373,856	**8,024.44**	**65,373,856**	**8,024.44**
(b) Issued, subscribed and fully paid-up equity shares				
Equity share of ₹ 10 each	9,079,160	907.92	9,079,160	907.92
	9,079,160	**907.92**	**9,079,160**	**907.92**

(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 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity share of ₹ 10 each				
Opening balance	9,079,160	907.92	9,079,160	907.92
Issue of shares during the year	-	-	-	-
Closing balance	**9,079,160**	**907.92**	**9,079,160**	**907.92**

(b) Terms/ Rights attached to equity shares:

The Company has only one class of shares referred to as equity shares with a face value of ₹ 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 2020		As at 31 March 2019	
	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
Kerala State Industrial Development Corporation Limited	28,62,220	31.52	28,62,220	31.52

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(d) Distribution of dividend paid and proposed

Particulars	As at 31 March 2020	As at 31 March 2019
Dividends on equity shares declared and paid (for the year ended 31 March 2019 ₹ 1.5 per equity share)	135.56	226.98
Proposed cash dividend for the year ended 31 March 2020 (₹ 2.5 per equity share)	226.98	135.56

(e) 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 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	-	-	5.79	5.79

3.12 Other equity

	As at 31 March 2020	As at 31 March 2019
Securities premium	2,895.90	2,895.90
Special export reserve (under the Income Tax Act, 1961)	79.00	79.00
Other equity	984.43	984.43
General reserve	7,836.64	7,836.64
Capital reserve on merger	2,750.62	2,750.62
Retained earnings	(654.79)	(1,306.39)
Items of Other comprehensive income		
- Hedge reserve	(408.56)	129.19
- Equity Instruments through OCI	5.37	9.51
- Remeasurement of defined benefit plans(net)	(79.22)	(32.88)
	13,409.39	**13,346.02**

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.

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 Subsidiary, 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 Other Comprehensive Income: 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 derecognised.

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 for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non current		
(Secured)		
Term loans from banks:		
- Foreign currency loans	-	64.24
- Rupee Term loans	32.50	61.03
Term loans from related party:		
- Kerala State Industrial Development Corporation	653.53	912.29
(Unsecured)		
Loan from related party:		
- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	1,152.17	1,285.20
Liability component of optionally convertible preference shares	1,380.61	1,307.03
Liability component of redeemable Preference shares	378.61	339.75
	3,597.42	**3,969.54**
Amount disclosed under "Other current financial liabilities" (refer note 3.16)	(728.50)	(583.26)
	2,868.92	**3,386.28**
Current		
(Secured)		
Loans repayable on demand		
From Banks:		
Cash credits / working capital demand loans	3,577.80	4,519.56
Bills discounting	739.20	1,607.18
	4,317.00	**6,126.74**

3.13 Borrowings (Non - current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2020	As at 31 March 2019
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 other fixed assets of Company on pari passu basis.	Fully repaid during the year	-	19.79
ii.	Canara Bank	Exclusive charge over the Property, plant and equipment created with the term loan assistance.	Fully repaid during the year	-	44.45
iii.	HDFC Bank	Exclusive first charge over the Property, plant and equipment financed out of the term loan, second charge over the existing Property, plant and equipment of the Company.	The loan is repayable in 72 monthly installments (including interest), commencing from 07 June 2015 in the following manner: From, March 2016 to May 2016 - ₹ 1.17 lakhs From, June 2016 to April 2021 - ₹ 2.73 lakhs In May 2021 - ₹ 0.35 lakhs.	32.50	61.03
				32.50	**125.27**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2020	As at 31 March 2019
Term loans from related party (Secured)					
i	Kerala State Industrial Development Corporation Limited	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 March 2017 in the following manner: From, March 2017 to March 2022 - ₹ 54 Lakhs per quarter In June 2022 - ₹ 53.50 Lakhs per quarter.	473.38	697.55
		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 dated 07 July 2010, SRO Jhagadia.	The principal is repayable in 28 quarterly installments, commencing from 11 March 2017 in the following manner: From March 2017 to December 2019 - ₹ 6.25 Lakhs , from December 2019 to December 2022 - ₹ 12.50 Lakhs and from March 2023 to December 2023 ₹ 18.75 Lakhs per quarter.	180.15	214.74
				653.53	**912.29**
Loans from related party (Unsecured)					
i.	ECB from Nitta Gelatin Inc	ECB's are unsecured	(a) The principal amount of ₹ 650 lakhs taken by the Company is to be paid in five annual instalments of ₹ 130 Lakhs on 24 March 2019, 24 March 2020, 24 March 2021, 24 March 2022 and 24 March 2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.		
			(b) The principal Amount of ₹ 900 lakhs taken by the Company is to be paid in 15 Equal quarterly Instalments of ₹ 60 lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	1,152.17	1,285.20
				1,152.17	**1,285.20**

The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +6.40 % to + 7.69 %.

ii.	Optionally convertible preference shares	Refer note (3.13.1) below	1,380.61	1,307.03
iii	Redeemable Preference Shares	Refer note (3.13.2) below	378.61	339.75
			1,759.22	**1,646.78**

3.13.1 The Company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares ('OCPS') with a face value of ₹ 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 ₹ 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 ₹ 170/- each (inclusive of a premium of ₹ 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.

3.13.2 Pursuant to the merger as detailed in Note 3.41 , the company has issued 44,44,444 numbers of Redeemable Preference shares of ₹ 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company during the financial year 2019-20. These preference shares are redeemable at par at the expiry of seven years from the date of allotment. i.e. 3 April 2019.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13 Borrowings (Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2020	As at 31 March 2019
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 ranges from 1 % to 2.5 % over the LIBOR rates.	The loans are repayable on demand	3,433.57	4,854.88
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 Property, plant and equipment of the Company. The Interest rate ranges from 8.85 % to 10.05%	The loans are repayable on demand	883.43	1,271.86
				4,317.00	**6,126.74**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
3.14 Deferred Tax Liabilities (net)		
Deferred tax liability arising on account of:		
Differences between book balance and tax balance of property, plant and equipment	1,112.47	1,402.46
Timing differences on assessment of income	93.33	95.02
Deferred tax impact on fair value changes	-	162.82
Deferred Tax Assets		
Unabsorbed business losses	(651.83)	(1,205.39)
Deferred tax impact on fair value changes	(152.84)	-
Provision for doubtful debts and others	(124.21)	(144.00)
Provision for employee benefits	(78.38)	(93.97)
Others	(13.28)	-
Deferred Tax Liabilities / (Assets) (Net)	**185.26**	**216.94**

Movement in Deferred Tax Liabilities/assets balances during the year ended 31 March 2020

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability / (assets)				
Differences between book balance and tax balance of property, plant and equipment	1,402.46	(289.99)	-	1,112.47
Timing differences on assessment of income	95.02	(1.69)	-	93.33
Deferred tax impact on fair value changes	162.82	(93.65)	(222.01)	(152.84)
Unabsorbed depreciation and carried forwarded tax losses	(1,205.39)	553.56	-	(651.83)
Provision for doubtful debts and others	(144.00)	19.79	-	(124.21)
Provision for employee benefits	(93.97)	34.62	(19.03)	(78.38)
Others	-	(13.28)	-	(13.28)
Deferred Tax Liabilities (Net)	**216.94**	**209.36**	**(241.04)**	**185.26**

Movement in Deferred Tax Liabilities/assets balances during the year ended 31 March 2019

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability / (assets)				
Differences between book balance and tax balance of property, plant and equipment	1,429.99	(27.53)	-	1,402.46
Timing differences on assessment of income	72.14	22.88	-	95.02
Deferred tax impact on fair value changes	153.99	(52.79)	61.62	162.82
Unabsorbed depreciation and carried forwarded tax losses	(1,097.98)	(107.41)	-	(1,205.39)
Provision for doubtful debts and others	(155.67)	11.67	-	(144.00)
Provision for employee benefits	(142.43)	50.31	(1.85)	(93.97)
Deferred Tax Liabilities (Net)	**260.04**	**(102.87)**	**59.77**	**216.94**

	As at 31 March 2020	As at 31 March 2019
3.15 Trade payables		
Dues to micro enterprises and small enterprises (refer note (a) below)	60.12	1.47
Dues to creditors other than micro enterprises and small enterprises		
Related parties		
Bamni Proteins Limited	355.01	252.03
Nitta Gelatin Inc.	268.14	985.42
Nitta Gelatin NA Inc.	-	9.55
Others	1514.00	875.49
	2,137.15	**2,122.49**
	2,197.27	**2,123.96**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(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 been relied upon by the auditors.

i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	60.12	1.47
ii)	Interest due thereon remaining unpaid	1.61	-
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.	-	-
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	-	-
v)	Interest accrued and remaining unpaid	1.61	-
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	-	-

		As at 31 March 2020	As at 31 March 2019
3.16	**Other financial liabilities**		
	Current		
	Current maturities of non-current borrowings	728.50	583.26
	Interest accrued and due on borrowings	13.22	37.52
	Interest accrued but not due on borrowings	4.43	3.72
	Unpaid dividend*	14.45	15.83
	Creditors for capital goods	4.58	5.47
	Hedge liability	560.23	-
	Employee related liabilities	333.77	268.41
	Others	18.11	25.35
		1,677.29	**939.56**
	* Earmarked balances with banks for unpaid dividend		
3.17	**Provisions**		
	Non-current		
	Provision for employee benefits (net)	189.73	199.82
		189.73	**199.82**
	Current		
	Provision for employee benefits (net)	68.57	13.13
	Others (refer note 3.31)	222.86	222.86
		291.43	**235.99**
3.18	**Other liabilities**		
	Current		
	Statutory dues	63.83	66.17
	Advance received from customers	920.75	902.95
		984.58	**969.12**

		Year Ended 31 March 2020	Year Ended 31 March 2019
3.19	**Revenue from operations**		
	Revenue from Sale of goods		
	Sale of products	28,938.56	25,146.59
	Sale of traded goods	-	294.89
	Other operating revenues		
	Scrap sales	47.78	42.52
	Export incentive	357.38	344.15
	Liabilities no longer required written back	0.30	31.58
	Other miscellaneous income	103.82	260.07
		509.28	**678.32**
		29,447.84	**26,119.80**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.19.1 Disclosure under Ind AS 115 -Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 3.30 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with Customers". Hence, no separate disclosures of disaggregated revenues are reported.

The Company's performance obligation are satisfied upon shipment and payment is generally due by 30 to 180 days

3.19.2 Reconciliation of Revenue from sale of goods with the contracted price

Contracted price	29,073.34	25,504.48
Less: Trade discount, rebates etc	(134.78)	(63.00)
Net Revenue recognised from Contracts with Customers	**28,938.56**	**25,441.48**

		Year Ended 31 March 2020	Year Ended 31 March 2019
3.20	**Other income**		
	Interest income		
	- On Bank deposits	8.66	31.28
	- Other interest income	4.21	4.36
	Dividend income from non-current investments	210.30	0.42
	Net gain on foreign currency transaction and translations	59.62	-
	Miscellaneous income	47.06	34.45
		329.85	**70.51**
3.21	**Cost of materials consumed**		
	Opening Stock	1,586.30	1,746.53
	Add: Purchases	15,843.13	10,691.21
		17,429.43	**12,437.74**
	Less: Closing Stock	1,834.42	1,586.30
		15,595.01	**10,851.44**
3.22	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock		
	Finished Goods	1,141.84	1,802.02
	Work-in-progress	2,849.47	2,668.93
		3,991.31	**4,470.95**
	Less:		
	Closing Stock		
	Finished Goods	2,073.80	1,141.84
	Work-in-progress	3,709.81	2,849.47
		5,783.61	**3,991.31**
		(1,792.30)	**479.64**
3.23	**Employee benefits expense**		
	Salaries and wages	2,868.31	2,636.35
	Contribution to provident and other funds	261.95	302.33
	Workmen and staff welfare expenses	460.80	438.22
		3,591.06	**3,376.90**
	Less: Transfer to Research & Development expenditure (refer Note 3.26.1)	(121.39)	(117.45)
		3,469.67	**3,259.45**
3.24	**Finance costs**		
	Interest expense - on bank borrowings	505.27	528.92
	Other borrowing cost	248.18	260.49
		753.45	**789.41**
3.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets	1,483.61	1,414.79
	Amortisation of intangible assets	12.27	20.70
		1,495.88	**1,435.49**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Year Ended 31 March 2020	Year Ended 31 March 2019
3.26 Other expenses		
Consumption of stores, spares and consumables	751.46	900.69
Conversion charges	-	32.24
Effluent discharge charges	145.59	194.27
Contract labour charges	153.00	188.75
Packing materials consumed	265.44	237.26
Research and development expenditure (refer note 3.26.1)	145.52	145.15
Power, fuel, water and gas	3,879.32	3,769.82
Repairs		
- Building	177.10	111.78
- Plant and equipment	977.05	899.22
- Others	410.57	391.59
Loading, transportation and other charges on products	703.95	674.59
Freight on exports	121.86	164.40
Insurance	74.58	74.13
Rent	41.36	45.77
Rates and taxes	225.89	69.63
Postage and telephone	45.05	48.72
Printing and stationery	19.61	19.04
Travelling and conveyance	235.96	272.28
Director's sitting fee	13.04	11.30
Payments to the statutory auditors (refer note 3.26.2)	21.54	19.95
Advertisement and publicity	23.26	29.93
Security service charges	226.33	199.08
Professional and consultancy charges	249.72	330.67
Bank charges	62.71	53.08
Expenses on corporate social responsibility activities (refer note 3.26.3)	23.50	53.05
Loss on assets sold / written off (net)	7.83	20.91
Provision for impairment on Plant and equipment	310.73	-
Net loss on cash flow hedges realised	-	134.91
Net loss on foreign currency transactions and translations	-	184.63
Miscellaneous expenses	256.08	169.70
	9,568.05	**9,446.54**

3.26.1 Details of Research & Development expenditure

	Year Ended 31 March 2020	Year Ended 31 March 2019
(a) Revenue expenditure charged to the statement of profit and loss (Product development / Engineering expenses)		
Salary and allowances	121.39	117.45
Other expenses (Net of recoveries)	24.13	27.70
	145.52	**145.15**
(b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	4.89	32.99

3.26.2 Payments to Statutory auditors

	Year Ended 31 March 2020	Year Ended 31 March 2019
Statutory audit fees	20.25	17.88
Other services		
Taxation matters	-	-
Others (including certification)	0.55	1.05
Reimbursement of expenses	0.74	1.02
	21.54	**19.95**

3.26.3 Details of expenses on Corporate Social Responsibility activities

	Year Ended 31 March 2020	Year Ended 31 March 2019
a. Gross amount required to be spent by the Company during the year	23.22	51.02
b. Amount spent during the year on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	23.50	53.05

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
3.27	**Earnings per share (EPS) (basic and diluted)**		
	a) Profit / (Loss) after tax attributable to equity shareholders	789.54	(263.66)
	b) Weighted average number of shares outstanding	9,079,160	9,079,160
	c) Nominal value of shares (₹)	10	10
	d) Basic earning per share (₹)	**8.70**	**(2.90)**
	e) Number of equity shares used to compute diluted earnings per share	9,079,160	9,079,160
	f) Diluted earnings per share (₹)	**8.70**	**(2.90)**

3.28 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31 March 2020	As at 31 March 2019
Current		
First charge		
Financial assets		
Trade receivables	2,707.07	5,329.24
Cash and cash equivalents	97.96	401.06
Bank balances other than cash and cash equivalents	75.88	115.07
Other financial assets	108.74	296.24
Inventories	8,328.84	6,441.62
Other current assets	542.10	596.22
Total current assets pledged as securities	**11,860.59**	**13,179.45**
Non-current		
First charge		
Property, plant and equipment (PPE) and capital work-in-progress	11,968.97	12,904.77
Total non-current assets pledged as securities	**11,968.97**	**12,904.77**
Total assets pledged as security	**23,829.56**	**26,084.22**

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.	Kerala State Industrial Development Corporation	Enterprise having substantial interest in the Company
vii.	**Key Managerial Personnel**	
	Mr. Sajiv K. Menon	Managing Director
	Dr Shinya Takahashi	Whole Time Director
	Non Executive Directors	
	Dr. K. Ellangovan	
	Dr. Sharmila Mary Joseph	
	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 2020 (cont'd)

(All amounts are in ₹ Lakhs, 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 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Sale and Income								
1 Sale of Goods								
Nitta Gelatin Inc	-	-	4,352.00	5,409.87	-	-	4,352.00	5,409.87
Nitta Gelatin NA Inc	-	-	3,962.19	4,684.21	-	-	3,962.19	4,684.21
2 Sale of Raw materials, packing materials and stores								
Bamni Proteins Ltd	-	294.89	-	-	-	-	-	294.89
3 Sale of Software license Bamni Proteins Ltd	2.19	-	-	-	-	-	2.19	-
4 Dividend Income								
Bamni Proteins Ltd	210.00	-					210.00	-
5 GSP duty refund received on exports to related party refunded by them								
Nitta Gelatin NA Inc	-	-	-	105.74	-	-	-	105.74
6 Guarantee commission recovered								
Bamni Proteins Ltd	12.00	10.29	-	-	-	-	12.00	10.29
7 Support fee for service rendered recovered								
Bamni Proteins Ltd	87.00	79.33	-	-	-	-	87.00	79.33
8 Reimbursement of Expenses								
Bamni Proteins Ltd	14.83	18.98					14.83	18.98
Purchase and Expenses								
1 Purchase of Goods:								
Bamni Proteins Ltd	1,545.01	1,096.66	-	-	-	-	1,545.01	1,096.66
2 Commission expense:								
Nitta Gelatin Inc								
- For Sale of Gelatin	-	-	9.54	8.41	-	-	9.54	8.41
- For Sale of Peptide	-	-	4.60	0.99	-	-	4.60	0.99
3 Rent paid								
Bamni Proteins Ltd	1.20	1.20	-	-	-	-	1.20	1.20
4 Conversion charges:							-	-
Bamni Proteins Ltd	-	33.13	-	-	-	-	-	33.13
5 Rebate / Discount expense:								
Nitta Gelatin Inc	-	-	8.57	9.53	-	-	8.57	9.53
Nitta Gelatin NA Inc	-	-	2.39	0.63	-	-	2.39	0.63
6 Technical Assistance Fee:								
Nitta Gelatin Inc	-	-	20.11	41.04	-	-	20.11	41.04
7 Interest expense on External Commercial Borrowings								
Nitta Gelatin Inc	-	-	101.15	116.95	-	-	101.15	116.95
8 Interest expense on loans								
Kerala State Industrial Development Corporation	-	-	83.72	100.67	-	-	83.72	100.67
9 Reimbursement of Expenses (Net):								
Nitta Gelatin Inc	-	-	24.24	9.29	-	-	24.24	9.29
Bamni Proteins Ltd	12.70	21.02	-	-	-	-	12.70	21.02

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

B. Detail of Transactions (cont'd):

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 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
10 Donations / Corporate Social Responsibility contribution								
K.T.Chandy Seiichi Nitta Foundation	33.71	44.26	-	-	-	-	33.71	44.26
11 Remuneration (refer note below)								
Mr. Sajiv K. Menon	-	-	-	-	170.56	154.75	170.56	154.75
Dr Shinya Takahashi	-	-	-	-	24.47	24.42	24.47	24.42
12 Sitting fees	-	-	-	-		-	-	
Dr. K. Ellangovan	-	-	-	-	0.61	0.36	0.61	0.36
Dr. Sharmila Mary Joseph					0.18	-	0.18	-
Dr. M. Beena					-	0.36	-	0.36
Mr. Sanjay M. Kaul					-	0.18	-	0.18
Mr. M T Binil Kumar					-	0.40	-	0.40
Guarantees given - Balance outstanding								
Bamni Proteins Ltd	460.32	698.70	-	-	-	-	460.32	698.70
Dividend paid on equity shares								
Nitta Gelatin Inc		-	58.50	97.51	-		58.50	97.51
Dividend on preference shares								
Nitta Gelatin Inc	-	-	85.37	85.37	-	-	85.37	85.37

Notes:

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 ₹ 98.66 Lakhs (Previous Year ₹ 59.16 Lakhs). The Company has already obtained the approval from its shareholders for regularising the excess remuneration in the Annual General meeting held during August 2019.

C. Balance outstanding as at year end:

Nature of Transaction	Subsidiary Company/ Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Investments						
1 Bamni Proteins Ltd	350.00	350.00	-	-	350.00	350.00
Receivables						
1 Nitta Gelatin Inc	-	-	86.39	1,439.45	86.39	1,439.45
2 Nitta Gelatin NA Inc	-	-	1,024.58	1,514.99	1,024.58	1,514.99
Payables						
1 Bamni Proteins Ltd	355.01	252.03	-	-	355.01	252.03
2 Nitta Gelatin Inc						
- Term loan	-	-	1,152.17	1,285.20	1,152.17	1,285.20
- Other payables	-	-	268.14	985.42	268.14	985.42
3 Nitta Gelatin NA Inc						
- Other payables	-	-	-	9.55	-	9.55
4 Kerala State Industrial Development Corporation						
-Term loan			653.53	912.29	653.53	912.29

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 the 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 31st March 2020. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, the financial statements do not include the effect of the transfer pricing implications, if any.

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 2020	Year ended 31 March 2019
Sales of products	28,938.56	25,146.59
Sale of Traded Goods	-	294.89
	28,938.56	**25,441.48**

(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 31 March 2020	Year ended 31 March 2019
India	16,816.31	13,825.31
Outside India	12,122.25	11,616.17
	28,938.56	**25,441.48**

(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 2020	Year ended 31 March 2019
India	12,812.41	13,493.71
Outside India	-	-
	12,812.41	**13,484.62**

(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 2020	Year ended 31 March 2019
Revenue from top customer	4,352.00	5,409.87
Revenue from customers contributing 10% or more to the Company's revenues from product sale	14,210.78	14,783.87

3.31 Provisions and Contingent liabilities

3.31.1 Provisions

Nature of Provision	As at 31 March 2019	Additional Provision during the year	Amounts used / charged during the year	Unused amounts reversed	As at 31 March 2020
Provision for Central Excise Duty (refer note 3.31.1(i))	132.29 (132.29)	- -	- -	- -	132.29 (132.29)
Provision for Central Sales Tax (refer note 3.31.1(ii))	28.74 (28.74)	- -	- -	- -	28.74 (28.74)
Provision for Entry Tax (refer note 3.31.1(iii))	- (11.00)	- -	- (11.00)	- -	- -
Provision for Water Cess (refer note 3.31.2(iv))	61.83 (61.83)	- -	- -	- -	61.83 (61.83)

(Figures in brackets represents corresponding figure for the previous financial year)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 ₹ 350.75 Lakhs (31 March 2019 : ₹ 350.75 Lakhs) 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 ₹ 132.29 Lakhs (31 March 2019 : ₹ 132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2019 : ₹ 218.45 Lakhs) 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 ₹ 28.74 Lakhs (31 March 2019 : ₹ 28.74 Lakhs) 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 prudence.

3.31.1(iii). The Sales Tax authorities had raised demand for entry tax on furnace oil for an amount of ₹ 22.01 Lakhs in an earlier year and was under appeal. Against the demand an amount of ₹ 11.00 Lakhs 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 ₹ 11.00 Lakhs during the previous year.

3.31.2 Contingent Liabilities not provided for:

		As at 31 March 2020	As at 31 March 2019
1.	Claims against the Company not acknowledged as debts:		
	a. Income tax (refer note 3.31.2(i))	167.61	134.96
	b. Sales tax (refer note 3.31.2(ii))	783.94	783.94
	c. Excise duty and service tax (refer note 3.31.1(i) and 3.31.2.(iii))	297.12	299.46
	d. Water cess (refer note 3.31.2(iv))	653.01	653.01
	e. Customs duty (refer note 3.31.3)	1,968.36	1,968.36
2.	Counter guarantee issued in favour of bankers	89.30	59.62
3.	Counter guarantee issued in favour of Subsidiary Company		
	a. Bamni Proteins Limited. - Amount outstanding Amount of Guarantee - ₹ 750 Lakhs (31 March 2019: ₹ 750 Lakhs)	460.32	698.70
		4,419.66	**4,598.05**

3.31.2(i) During the year, the Income Tax Appellate Tribunal has passed appellate orders in favour of the Company with respect to the Assessment years 2009-10 and 2010-11. The company has reversed an amount of ₹ 310.97 Lakhs (₹ 269.93 Lakhs for AY 2009-10 and ₹ 47.97 Lakhs for AY 2010-11 based on the said Appellate Orders) in the Profit and Loss account and disclosed the same as Income Tax for Prior years. 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 reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 82.36 Lakhs (31 March 2019 : ₹ 82.36 Lakhs) , 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 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 ₹ 512.07 Lakhs (31 March 2019 : ₹ 512.07 Lakhs), 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.

3.31.2(ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to ₹ 783.94 Lakhs (31 March 2019 : ₹ 783.94 Lakhs) (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.

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 ₹ 7.21 Lakhs (31 March 2019: ₹ 12.93 Lakhs) 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 ₹ 71.46 Lakhs (31 March 2019 : ₹ 68.08 Lakhs), 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 ₹ 714.84 Lakhs 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 ₹ 61.83 Lakhs 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

April 1979 to 24 July 2009 amounting to ₹ 653.01 Lakhs , being periods prior to the issue of the Government order which has been disclosed as contingent liability.

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 year, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1091.21 Lakhs. 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.

3.32 Estimated amount of contracts remaining to be executed on capital account ₹ 151.12 Lakhs (31 March 2019 : ₹ 146.65 Lakhs)

3.33 In respect of raw materials imported at concessional rate of duty under the Advance Authorisation Scheme, the Company has fulfilled the export obligation which is required to be fulfilled as per the Licensing Norms and has settled the differential duty along with Interest for the portion of raw material which is used for domestic market requirements. However for certain portion of the material exported, the advance license number was not endorsed in the shipping bill due to oversight. Company is in the process of getting the endorsement effected by Customs Department for the exports so effected. The company's, application for endorsement of Advance Authorisation Number in the shipping bill for exports is pending for disposal before the Customs Authorities at this stage. Since the Company's dispute on classification / reassessment of the raw material is pending for adjudication before the appellate tribunal and based on the legal advice received, the company is hopeful of a favourable decision. As on 31 March 2020 the Company has created a provision of ₹ 68.28 Lakhs towards the duty along with applicable interest on the same as a matter of prudence.

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 Leases

The lease expenses for cancellable operating leases during the year ended 31 March 2020 is ₹ 41.36 Lakhs (31 March 2019 : ₹ 45.77 Lakhs)

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 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax:		
Current income tax charge	118.00	-
Income tax relating to earlier years*	(310.97)	-
Minimum Alternate tax	(118.00)	-
Relating to the origination and reversal of temporary differences	209.36	(102.87)
Income tax expense reported in Statement of Profit and Loss	**(101.61)**	**(102.87)**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(19.03)	(1.85)
Income tax relating to measurement of financial assets through OCI	(1.08)	0.62
Income tax relating to gain on cash flow hedges	(220.93)	61.00
	(241.04)	**59.77**

* During the current year, the Income Tax Appellate Tribunal has passed appellate orders in favour of the Company with respect to the Assessment years 2009-10 and 2010-11. Consequently, the provision for Income tax ₹ 310.97 Lakhs carried in the books relating to these assessment years have been reversed in the current financial year.

The Company has evaluated the impact of the newly introduced Section 115BAA of the Taxation Laws (Amendment) Ordinance, 2019 and has decided not to opt for the same in view of the carry forward losses and MAT Credit carried by the Company in the tax books

Reconciliation of deferred tax (net)	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	**216.94**	**260.04**
Tax credit / (expense) during the year recognized in statement of profit and loss	209.36	(102.87)
Tax credit / (expense) during the year recognised in OCI	(241.04)	59.77
Closing balance	**185.26**	**216.94**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax and exceptional item	**687.93**	**(366.52)**
Tax on accounting profit at statutory income tax rate of 29.12% (31 March 2019: 33.384%)	200.33	(122.36)
Tax effect of:		
Non deductible expenses	7.05	24.92
Tax incentives and exempt income	(84.56)	(39.77)
Tax effect of change in tax rates	(27.71)	(3.18)
Income tax relating to earlier years	(310.97)	-
Adjustment for taxes with respect to earlier year	76.68	-
Others	37.47	37.52
Tax expense recognised in the Statement of profit and loss	**(101.61)**	**(102.87)**

3.37 **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 at 31 March 2020 and 31 March 2019 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	As at / Year Ended 31 March 2020	As at / Year Ended 31 March 2019
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	765.23	708.76
	Fair value of plan assets as at the end of the year	(714.16)	(715.37)
	Net liability/ (assets) recognized in the Balance Sheet	**51.07**	**(6.61)**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	708.76	646.37
	Current service cost	49.83	47.14
	Interest cost	55.02	51.27
	Actuarial losses / (gains) arising from		
	- change in demographic assumptions	-	-
	- change in financial assumptions	65.37	5.29
	- experience variance (i.e. actual experiences assumptions)	-	-
	Benefits paid	(113.75)	(41.31)
	Defined benefit obligation as at the end of the year	**765.23**	**708.76**
3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	715.37	602.81
	Expected return on plan assets	57.23	48.23
	Actual return on plan assets over expected interest	(5.11)	(48.23)
	Contributions	60.42	153.86
	Benefits paid	(113.75)	(41.30)
	Fair value as at the end of the year	**714.16**	**715.37**
	Description of Plan Assets		
	Insurer Managed Funds (LIC of India)	714.16	715.37
	Assumptions used in the above valuations are as under:		
	Discount rate	7.50%	7.50%
	Expected rate of increase in compensation level	5%	5%
	Attrition rate	3%	3%
	Superannuation age	58	58
	Mortality	Indian Assured Lives Mortality [1994-96] Ultimate	
4	**Net gratuity cost for the year ended 31 March 2020 and 31 March 2019 comprises of following components:**		
	Current service cost	49.83	47.14
	Net interest cost on the net defined benefit liability	2.90	51.27
	Net defined benefit expense debited to statement of profit and loss	**52.73**	**98.41**
5	**Remeasurement (gain)/ loss recognised in other comprehensive income**		
	Change in financial assumptions	(65.37)	(5.29)
	Experience variance (i.e. actual experience vs assumptions)	-	-
	Change in demographic assumptions	-	-
	Recognized in other comprehensive income	**(65.37)**	**(5.29)**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.37B. 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 ₹ 260.18 Lakhs (31 March 2019: ₹ 248.30 Lakhs) 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.

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:

Increase/(decrease) on present value of defined benefits obligations at the end of the year:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate (- / + 1%)	(71.38)	84.13	(67.25)	79.30
Salary Growth Rate (- / + 1%)	77.40	(66.94)	73.08	(63.18)
Attrition rate (- / + 1%)	(2.16)	(9.29)	1.91	(1.43)

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 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	350.00	-	87.17
Cash and cash equivalents	3.09	97.96	-	-
Bank balances other than cash and cash equivalents	3.10	75.88	-	-
Trade receivable	3.08	2,707.07	-	-
Loans	3.04	392.62	-	-
Other financial assets	3.05			
Balances with Bank - Deposit Accounts		85.45	-	-
Earmarked balances with banks for unpaid dividend		14.45	-	-
Advances recoverable in cash or in kind		75.95	-	-
Interest receivable		10.36	-	-
Others		22.43	-	-
Total		**3,832.17**	**-**	**87.17**
Liabilities:				
Borrowings	3.13	7,185.92	-	-
Trade payable	3.15	2,197.27	-	-
Other financial liabilities	3.16			
Current maturities of long term borrowings		728.50	-	-
Unpaid dividend		14.45	-	-
Interest accrued and due on borrowings		13.22	-	-
Interest accrued but not due on borrowings		4.43	-	-
Hedge liability		-	560.23	-
Creditors for capital goods		4.58	-	-
Other Payables		333.77	-	-
Others - recoveries payable		18.11	-	-
Total		**10,500.25**	**560.23**	**-**

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	350.00	-	92.39
Cash and cash equivalents	3.09	401.06	-	-
Bank balances other than cash and cash equivalents	3.10	115.07	-	-
Trade receivable	3.08	5,329.24	-	-
Loans	3.04	424.67	-	-
Other financial assets	3.05			
Balances with Bank - Deposit Accounts		17.60	-	-
Earmarked balances with banks for unpaid dividend		15.83	-	-
Advances recoverable in cash or in kind		81.61	-	-
Hedge asset		-	198.46	-
Interest receivable		10.87	-	-
Others		5.30	-	-
Total		**6,751.25**	**198.46**	**92.39**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Liabilities:				
Borrowings	3.13	9,513.02	-	-
Trade payable	3.15	2,123.96	-	-
Other financial liabilities	3.16			
Current maturities of long term borrowings		583.26	-	-
Unpaid dividend		15.83	-	-
Interest accrued and due on borrowings		37.52	-	-
Interest accrued but not due on borrowings		3.72	-	-
Creditors for capital goods		5.47	-	-
Employee related liabilities		268.41	-	-
Others - recoveries payable		25.35	-	-
Total		**12,576.54**	**-**	**-**

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 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.

(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 maximize 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 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	8.27	-	78.90	87.17
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	(560.23)	-	(560.23)
As at 31 March 2019	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Non current investments	3.03	13.49	-	78.90	92.39
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	198.46	-	198.46

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.

3.39 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 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 minimizing 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(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 2020	As at 31 March 2019
Trade receivable	2,707.07	5,329.24
Loans to employees	8.80	37.95
Security deposit	383.82	386.72
Balances with Bank - Deposit Accounts	85.45	17.60
Earmarked balances with banks for unpaid dividend	14.45	15.83
Advances recoverable in cash or in kind	75.95	81.61
Interest receivable	10.36	10.87
Hedge asset	-	198.46
Investments	437.17	442.39
Cash and cash equivalents	97.96	401.06
Other bank balances	75.88	115.07
Others	22.43	5.30
	3,919.34	**7,042.10**

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 70 % (2019 - 66 %) 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.

Movement in the allowances for expected credit loss

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	45.05	54.24
Impairment loss recognised	-	-
Impairment loss reversed	-	(9.19)
Balance at the end	**45.05**	**45.05**

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties 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:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Maturities of financial liabilities

As at 31 March 2020	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	4,317.00	2,490.31	378.61	7,185.92
Trade payable	2,197.27	-	-	2,197.27
Other financial liabilities	1,677.29	-	-	1,677.29
Total	**8,191.56**	**2,490.31**	**378.61**	**11,060.48**

As at 31 March 2019	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	6,126.74	3,046.54	339.74	9,513.02
Trade payable	2,123.96	-	-	2,123.96
Other financial liabilities	939.56	-	-	939.56
Total	**9,190.26**	**3,046.54**	**339.74**	**12,576.54**

(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 Risk

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 2020**		**As at 31 March 2019**	
Included In	**Currency**	**Amount in foreign currency**	**Amount in ₹**	**Amount in foreign currency**	**Amount in ₹**
Financial assets					
Trade receivables	USD	17.65	1,323.88	42.99	2,954.70
	EURO	1.87	153.39	-	-
Financial liabilities					
Trade payables	USD	4.78	362.75	14.86	1,034.70
	Japanese YEN	16.87	11.63	13.96	8.79
Non current borrowings	USD	-	-	0.92	64.24
Current borrowings	USD	45.15	3,433.57	69.72	4,854.89
	EURO	0.82	69.43		

Conversion rates	**Financial Assets**		**Financial Liabilities**		
	USD	**EUR**	**USD**	**EUR**	**JPY**
As at 31 March 2020	75.01	82.03	75.89	84.67	0.69
As at 31 March 2019	68.73	76.63	69.63	78.68	0.63

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase 31 March 2020	Decrease 31 March 2020	Increase 31 March 2019	Decrease 31 March 2019
Sensitivity				
INR / USD	(24.21)	24.21	(29.23)	29.23
INR / EURO	0.86	(0.86)	-	-
INR / YEN	(0.12)	0.12	(0.09)	0.09

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 2020	31 March 2019
Forward Contracts		
In USD (in Lakhs)	141.45	108.20

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 2020	31 March 2019
Not later than one month	13.00	10.00
Later than one month and not later than three months	33.95	20.00
Later than three months and not later than a year	94.50	78.20

C2 Interest rate risk

(i)Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 2020, 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 2020	As at 31 March 2019
Variable rate borrowing	3,597.42	3,969.54
Fixed rate borrowing	-	-
Total borrowings	3,597.42	3,969.54
Amount disclosed under other current financial liabilities	728.50	583.26
Amount disclosed under borrowings	2,868.92	3,386.28

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2020	31 March 2019
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	35.97	39.70
Interest rates – decrease by 100 basis points (100 bps)	(35.97)	(39.70)

(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.

C3 Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.40 Capital management

For the purpose of the Company's capital management, capital 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 capital management is to maximize the shareholder value.

In order to achieve this overall objective, the Company's capital management, 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 Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders 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 within net debt, interest bearing loans and borrowings, trade payables, less cash and bank balances.

Particulars	As at 31 March 2020	As at 31 March 2019
Long term borrowings	2,868.92	3,386.28
Current maturities of long term borrowings	728.50	583.26
Short term borrowings	4,317.00	6,126.74
Trade payables	2,197.27	2,123.96
Less: Cash and cash equivalents	(97.96)	(401.06)
Less: Bank balances other than cash and cash equivalents	(75.88)	(115.07)
Net debt	**9,937.85**	**11,704.11**
Equity	907.92	907.92
Other equity	13,409.39	13,346.02
Capital and net debt	**24,255.16**	**25,958.05**
	-	-
Gearing ratio	**40.97%**	**45.09%**

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 by the Order dated 27th March 2019, erstwhile subsidiary company, M/S. Reva Proteins Limited (the "Transferor Company") was merged with the Company with effect from 1st April 2017. Accordingly, all the assets and liabilities of Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date ie. 1 April 2017. The Scheme has been accounted for using the Pooling of Interest Method as prescribed under the Scheme. The Scheme provides for the issuance of 44,44,444 numbers of redeemable preference shares of ₹ 10 each to Nitta Gelatin Incorporate as consideration for the equity holding of 48,00,000 shares in the transferor company. The Company has alloted preference shares to Nitta Gelatin Inc. during the current year. The difference between the consideration and the value of net identifiable assets taken over as of 1st of April, 2017 amounting to ₹ 2750.62 Lakhs was 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 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 31 March 2020	Net Block as on 31 March 2020
Land	Leasehold	622.69	558.45
Building	Freehold	1,668.23	787.79

3.42 Events after the Balance sheet date

The Board of Directors have recommended a final dividend of ₹ 2.50 per share to be paid on equity shares of ₹ 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. Dividends will be taxed in the hands of receipient, hence there will be no liability in the hands of Company.

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 (Meeting 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	Relationship	Amount outstanding as at 31 March 2020	Amount outstanding as at 31 March 2019
Bamni Proteins Ltd.	Subsidiary Company	460.32	698.70

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.44 During the month of March 2020, World Health Organisation declared COVID-19 to be a global pandemic. The spread of COVID-19 has impacted the normal operations of businesses in many countries, including India. The country has witnessed several disruptions in normal operations due to lock downs imposed by the Government in the form of restrictions to movement of people , transportation and supply chain along with other stringent measures to contain COVID-19 spread. The Company is engaged in the business of manufacturing products primarily meant for pharma industry which is part of essential commodities and therefore the pandemic has so far had minimal impact on the business operations of the company. The company has made an assessment of the possible impact of COVID-19 on the business of the company. The management has exercised due care in concluding on significant accounting judgements and estimates. Management noted that there is no impact on financial results on account of carrying value of property plant and equipment, recoverability of receivables , realisability of inventory and impairment assessment of financial and non financial assets. The management believes that the company will be able to discharge the committed liabilities on due date. The Company will continue to monitor future material changes to economic conditions and impact thereof on its operations.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 June 2020

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Sahasranaman P.
Chief Financial Officer

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, Bamni Proteins Ltd. (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, 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,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 of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), 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 is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

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

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>(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 at31 March 2020:

i. Customs duty - ₹ 1,968.36 lakhs

ii. Water cess - ₹ 653.01 lakhs

iii. Other tax matters - ₹ 1,248.67 lakhs

The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Group's reported profits 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.</td><td>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.</td></tr>
</table>

(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 2.01 of the accompanying consolidated financial statements): As at 31 March 2020, the Group is carrying Property, Plant and Equipment ('PPE') aggregating to ₹ 12,025.41 lakhs in its financial statements. These balances are subject to a test of impairment by the management where impairment indicators exist. As mentioned in note No. 2.01 to the consolidated financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at31 March 2020, in the manner prescribed under Ind AS 36 – Impairment of Assets, an impairment loss of ₹ 310.73 lakhs recognized in the current year. 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. 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 walk through 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 the business plans of the Holding Company, used in the valuation of the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Involved valuation specialists to test the Management's assumptions used for determining the value-in-use of the cash generating unit and obtained adequate supporting documents with respect to the impairment loss recognised in the current year. • 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.

(c) Inventory existence (Refer note 2.07 the accompanying consolidated financial statements) As at 31 March 2020, the Group held inventories of ₹ 9,126.45 lakhs as disclosed in Note 2.07 to the consolidated financial statements. Inventories mainly consist of raw materials, work in progress, finished goods, stores and spares and others. As per the Group's inventory verification plan, management performs physical verification of inventory at all locations, under the supervision of finance team, at each quarter. Due to Covid-19 outbreak and related lock-down restrictions, management was unable to perform the year end physical verification of inventories on 31 March 2020. The physical verification was carried out subsequent to year end on different dates in various locations and performed roll-back procedures from date of count to the reporting date to arrive at the physical stock as on reporting date. Considering the above, we have reassessed our audit approach with respect to assessing the existence and condition of physical inventory as at year end and adopted alternate audit procedures as further described in our audit procedures. Considering the significance and size of the Inventory at the year end, reliance on roll-back and other alternate procedures, existence of inventory is considered as a key audit matter for the current year audit.	Our audit work included, but was not restricted to, the following procedures: • Obtained understanding of management process of inventory management and inventory physical verification performed subsequent to year end; • Evaluated the design effectiveness of controls over inventory management process/inventory physical verification and tested key controls for their operating effectiveness; • Inspected the physical count procedures carried out by the management subsequent to year end; • During the above inspection, we noted whether the instructions given by management to stock count teams were followed, including ensuring proper segregation of stock, separate identification of goods received after year end, identification of obsolete inventory, if any, etc. • Obtained management's inventory count records (count sheets) and reconciliation with the Group's perpetual inventory records. • Tested the reconciliation of differences, if any, between management physical count and inventory records including accounting of such variances basis management approval; • Tested management's roll-back of the inventory count performed at locations on sample basis from date of count to 31 March 2020 and, tested completeness, arithmetical accuracy and validity of the data used for the procedures. • Performed physical inventory count for certain location subsequent to year end; and • Appointed independent auditor's experts for observing inventory counts at certain locations.

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

6. The Holding Company's Board of Directors are 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.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 financial position, 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.

8. 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. 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 Financial Statements

10. 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.

11. 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 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 Holding Company has adequate internal financial controls with reference to financial statements 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 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; and
- 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.

12. 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.

13. 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.

14. 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 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.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company has paid remuneration to its directors in excess of limits laid down under section 197 read with Schedule V to the Act by ₹98.66 lakhs, for which requisite approval of the shareholders has been obtained by the Holding Company by passing a special resolution in the Annual General Meeting held on 2 August 2019 in accordance with the provisions of section 197(1) read with Schedule V of the Act, as also mentioned in Note 2.36 to the accompanying consolidated financial statements. Further, we report that the its subsidiary company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by Section 143(3) of the Act, based on our audit,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.

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 statutory auditors of its subsidiary company none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements 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'; and

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 2.30 to the consolidated financial statements;

ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

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 2020; 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 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
UDIN: 20206229AAAABJ1096

Place: Kochi
Date: 08 June 2020

Annexure I

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143of 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 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, 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 Group 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements,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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

7. Because of the inherent limitations of internal financial

controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 Holding Company and its subsidiary company which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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

Krishnakumar Ananthasivan
Partner
Membership No.:206229
UDIN: 20206229AAAABJ1096

Place: Kochi
Date: 08 June 2020

Nitta Gelatin India Limited

Consolidated Balance Sheet as at 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	2.01	12,025.41	12,952.50
(b) Capital work-in-progress	2.01	416.11	357.34
(c) Other intangible assets	2.02	35.49	39.11
(d) Financial assets			
(i) Investments	2.03	87.17	92.38
(ii) Loans	2.04	417.86	432.89
(iii) Other financial assets	2.05	105.61	38.84
(e) Non-current tax assets (net)		2,141.33	1,911.70
(f) Other non-current assets	2.06	826.07	581.42
		16,055.05	**16,406.18**
Current Assets			
(a) Inventories	2.07	9,126.45	6,995.26
(b) Financial assets			
(i) Trade receivables	2.08	3,427.95	6,346.82
(ii) Cash and cash equivalents	2.09	136.50	450.17
(iii) Bank balances other than cash and cash equivalents	2.10	88.87	127.32
(iv) Loans	2.04	7.00	23.84
(v) Other financial assets	2.05	110.62	333.99
(c) Other current assets	2.06	621.39	648.79
		13,518.78	**14,926.19**
Total Assets		**29,573.83**	**31,332.37**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	2.11	907.92	907.92
(b) Other equity	2.12	14,426.54	14,148.05
Equity attributable to owners of the parent		**15,334.46**	**15,055.97**
Non controlling interests		301.28	261.10
		15,635.74	**15,317.07**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2.13	2,868.92	3,386.28
(b) Provisions	2.17	225.89	229.35
(c) Deferred tax liabilities (net)	2.14	140.67	203.76
		3,235.48	**3,819.39**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	2.13	4,777.32	6,825.44
(ii) Trade Payables	2.15		
(a) Total outstanding dues of micro enterprises and small enterprises		61.36	1.47
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,106.45	2,162.71
(iii) Other financial liabilities	2.16	1,747.86	950.63
(b) Other current liabilities	2.18	995.23	981.08
(c) Provisions	2.17	297.97	250.98
(d) Current tax liabilities (net)		716.42	1,023.60
		10,702.61	**12,195.91**
Total equity and liabilities		**29,573.83**	**31,332.37**

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 June 2020

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
INCOME			
Revenue from operations	2.19	34,216.86	30,303.34
Other Income	2.20	161.32	91.63
Total income		**34,378.18**	**30,394.97**
EXPENSES			
Cost of materials consumed	2.21	18,059.17	13,014.63
Purchases of stock-in-trade		-	294.87
Changes in inventories of finished goods and work-in-progress	2.22	(1,824.79)	37.97
Employee benefits expense	2.23	3,965.64	3,733.35
Finance costs	2.24	777.51	817.07
Depreciation and amortisation expense	2.25	1,563.06	1,501.00
Other expenses	2.26	10,496.28	10,263.12
Total Expenses		**33,036.87**	**29,662.01**
Profit before tax		**1,341.31**	**732.96**
Tax expense			
Current tax	2.35	326.17	341.30
Income tax relating to earlier years		(310.97)	-
Minimum alternate tax credit entitlement		(118.00)	-
Deferred tax		209.14	(100.56)
Profit for the year		**1,234.97**	**492.22**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
a) Re-measurement losses in defined benefit plans		(87.52)	(15.08)
Income tax relating to items that will not be reclassified to profit or loss		24.60	4.70
		(62.92)	(10.38)
b) Measurement of financial assets through other comprehensive income		(5.22)	2.96
Income tax relating to items that will not be reclassified to profit or loss		1.08	(0.62)
		(4.14)	2.34
Net of items that will not be reclassified to profit or loss		**(67.06)**	**(8.04)**
Items that will be reclassified subsequently to profit or loss:			
a) (Loss) / Gain recognised on cash flow hedges		(860.48)	210.48
Income tax relating to items that will be reclassified to profit or loss		246.55	(71.46)
Net of items that will be reclassified to profit or loss		**(613.93)**	**139.02**
Total other comprehensive (loss)/ income, net of tax		**(680.99)**	**130.98**
Total comprehensive profit for the year		**553.98**	**623.20**
Profit attributable to:			
Equity holders of the Company		1,124.16	347.11
Non-controlling interest		110.81	145.11
Other comprehensive (loss) / income attributable to:			
Equity holders of the Company		(664.62)	127.71
Non-controlling interest		(16.37)	3.27
Total comprehensive income/ (loss) attributable to:			
Equity holders of the Company		459.54	474.82
Non-controlling interest		94.44	148.38
Earnings per equity share (₹ per share)	2.27		
Basic		**12.38**	**3.82**
Diluted		**12.38**	**3.82**

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

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Place: Kochi
Date: 8 June 2020

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Consolidated Cash Flow Statement for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities:		
Profit before tax	1,341.41	732.96
Adjustments for:		
Depreciation and amortisation expense	1,563.06	1,501.00
Loss on disposal of property, plant and equipment (net)	8.82	4.08
Provision for impairment on Plant and equipment	310.73	-
Finance costs	777.51	817.08
Interest income	(16.92)	(39.93)
Dividend income from non-current investments	(0.30)	(0.42)
Liabilities no longer required written back	(0.30)	(31.58)
Reversal of allowance for doubtful trade receivables	-	(9.19)
Unrealised foreign exchange (gain)/loss (net)	(147.18)	40.65
Operating profit before working capital changes	**3,836.83**	**3,014.65**
Adjustments for changes in working capital:		
Decrease / (Increase) in trade receivables, other financial assets and other current assets	1,938.90	(558.72)
(Increase) / Decrease in inventories	(2,131.18)	283.00
Increase in trade payables, other financial liabilities and other current liabilities	843.85	198.72
Decrease in provisions	(43.99)	(134.73)
Cash generated from operations	**4,444.41**	**2,802.92**
Income taxes paid	(434.01)	(573.48)
Net cash generated from operating activities	**4,010.40**	**2,229.44**
B. Cash flow from investing activities:		
Purchase of property, plant and equipment, capital work in progress and intangible assets	(1,004.93)	(1,747.08)
Proceeds from disposal of Property, plant and equipment	8.28	37.12
(Increase) / Decrease in other bank balances with maturity more than three months	(29.71)	275.56
Interest received	17.38	39.05
Dividend received	0.30	0.42
Net cash used in investing activities	**(1,008.68)**	**(1,394.93)**
C. Cash flow from financing activities		
Repayment of non-current borrowings (net)	(423.80)	(442.83)
(Repayment) / Proceeds from current borrowings (net)	(1,905.43)	814.20
Dividend paid	(181.94)	(226.43)
Tax paid on dividend	(54.79)	(46.66)
Interest paid	(749.43)	(800.78)
Net cash used in financing activities	**(3,315.39)**	**(702.50)**
Net (decrease) / increase in cash and cash equivalents	**(313.67)**	**132.01**
Cash and Cash Equivalents at beginning of the year	**450.17**	**318.16**
Cash and Cash Equivalents at the end of the year	**136.50**	**450.17**
	(313.67)	**132.01**
Components of Cash and cash equivalents		
a) Cash on hand	8.70	3.18
b) Balance with banks:		
- in current accounts	127.80	426.49
- in deposit accounts with a maturity of less than three months	-	20.50
	136.50	**450.17**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2018	Cash flows	Non cash changes	As at March 31 2019
Non-current borrowings (including current maturities)	4,425.28	(442.83)	(12.91)	3,969.54
Current borrowings	5,932.37	814.20	78.87	6,825.44

Nitta Gelatin India Limited

Consolidated Cash Flow Statement for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at March 31 2019	Cash flows	Non cash changes	As at March 31 2020
Non-current borrowings (including current maturities)	3,969.54	(423.80)	51.68	3,597.42
Current borrowings	6,825.44	(1,905.43)	(142.69)	4,777.32

The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes forming part of these consolidated financial statements.

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

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

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Place: Kochi
Date: 8 June 2020

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Nitta Gelatin India Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

	Equity shares	
	No. of shares	**Amount**
Equity shares of ₹ 10 each, fully paid-up		
As at 1 April 2018	**9,079,160**	**907.92**
Add: Issued and subscribed during the year	-	
As at 31 March 2019	**9,079,160**	**907.92**
Add: Issued and subscribed during the year	-	
As at 31 March 2020	**9,079,160**	**907.92**

B. Other equity

	Reserves and Surplus						Items of Other comprehensive income					
	Securities premium reserve	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	Total
Balance as at 1 April 2018	**2,895.90**	**(586.34)**	**79.00**	**984.43**	**2,750.62**	**7,836.64**	**15.62**	**7.17**	**(36.17)**	**13,946.87**	**112.72**	**14,059.59**
Profit for the year	-	347.11	-	-		-	-	-	-	347.11	145.11	**492.22**
Other comprehensive income/(loss)	-		-	-		-	134.53	2.34	(9.16)	127.71	3.27	**130.98**
Dividend paid during the year	-	(226.98)	-	-		-	-	-	-	(226.98)		**(226.98)**
Corporate dividend tax	-	(46.66)	-	-		-	-	-	-	(46.66)		**(46.66)**
Balance as at 31 March 2019	**2,895.90**	**(512.87)**	**79.00**	**984.43**	**2,750.62**	**7,836.64**	**150.15**	**9.51**	**(45.33)**	**14,148.05**	**261.10**	**14,409.15**
Profit for the year	-	1,124.16	-	-	-	-	-	-	-	1,124.16	110.81	**1,234.97**
Transfer from retained earnings	-	(82.22)	-	-	-	82.22	-	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-	-	(600.48)	(4.14)	(60.00)	(664.62)	(16.37)	**(680.99)**
Dividend paid during the year	-	(135.56)	-	-	-	-	-	-	-	(135.56)	(45.00)	**(180.56)**
Corporate dividend tax	-	(45.49)	-	-	-	-	-	-	-	(45.49)	(9.26)	**(54.75)**
Balance as at 31 March 2020	**2,895.90**	**348.02**	**79.00**	**984.43**	**2,750.62**	**7,918.86**	**(450.33)**	**5.37**	**(105.33)**	**14,426.54**	**301.28**	**14,727.82**

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 June 2020

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, 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 and collagen peptide. The Holding 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")

These consolidated financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 8 June 2020.

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 (the 'Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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 (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The accounting policies have been applied consistently over all the periods presented in this consolidated financial statements except where newly issued accounting standard is initially adopted.

Previous year figures have been re-grouped/ reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

b) Application of New Accounting Pronouncements

i. Effective 1 April 2019, the Group has adopted Ind AS 116 " Leases", as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. 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 application of Ind AS 116 did not have material impact on the Financial Statements. i i .
The Group has adopted Ind AS 12 "Income Taxes" as per Appendix C to Ind AS 12. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. The application of the amended provision to Ind AS 12 did not have material impact on the financial statements.

iii. The Group has adopted Ind AS 23 " Borrowing Costs" as amended, which requires the entity to calculate and apply the capitalisation rate on general borrowings, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale and that borrowing becomes part of the funds that entity borrows generally. This amendment also did not have a material impact on the financial statements.

c) Basis of consolidation

The consolidated financial statements of the group include :

Subsidiary	Country of incorporation	Percentage of share holding/voting power	
		31 March 2020	31 March 2019
Bamni Proteins Limited	India	82.35%	82.35%

"The consolidated financial statements comprise of the financial statements of the Company and its subsidiary as at 31 March 2020. 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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note no. 2.34, for effect of transition to Ind AS 116 and other disclosures relating to leases.

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

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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
- 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 Group 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

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:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

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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 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 and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be relaibly measured.

i. 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, i.e., when the material is shifted to the customer or on delivery to the customer as may be reflected in the contract.

ii. 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.

iii. 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.

iv. Dividends

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

v. 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 or loss.

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

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

The Group has defined contribution plans for employees comprising of Superannuation, Provident Fund and Employee's State Insurance. The

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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.

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. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

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 employee.

k) Leases

Effective from 1st April 2019, the Group adopted Ind AS 116-Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective methode on the date of initial application i.e. 1st April 2019.

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessor

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Susequently, the lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate

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of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

Finance Lease
In the comparative period, 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.

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.

As a lessee
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

l) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These Consolidated 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.

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

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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 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 recognized 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 MAT credit becomes eligible to be recoginized 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 Group 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

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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

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 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

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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.

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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 on-going 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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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:

– 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 shareholders are recognised when the dividends are approved for payment by the shareholders.

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 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 is 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

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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) New standards and interpretations not yet adopted

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.01 Property, plant and equipment (PPE) and Capital work-in-progress

	Freehold Land	Right of Use Asset Leasehold Land	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital work-in-progress
Gross carrying amount:									
Balance as at 1 April 2018	**469.97**	**884.18**	**2,816.89**	**10,173.46**	**47.04**	**127.12**	**85.02**	**14,603.68**	**1,025.41**
Additions	1.33	-	564.16	1,756.53	14.84	66.51	0.05	2,403.42	325.45
Disposals	-	-	278.04	4.29	47.28	-	347.64	993.52	
Balance as at 31 March 2019	**471.30**	**884.18**	**3,363.02**	**11,651.95**	**57.59**	**146.35**	**85.07**	**16,659.46**	**357.34**
Additions	-	-	748.98	10.91	26.24	9.56	946.07	372.42	
Disposals	-	-	152.94	0.92	9.42	11.62	189.18	313.65	
Balance as at 31 March 2020	**471.30**	**884.18**	**3,499.12**	**12,247.99**	**67.58**	**163.11**	**83.01**	**17,416.29**	**416.11**
Accumulated depreciation and impairment									
Balance as at 1 April 2018	**-**	**107.24**	**511.89**	**1,805.16**	**16.69**	**64.09**	**35.59**	**2,540.66**	**-**
Depreciation charge for the year	-	9.10	242.52	1,157.45	9.76	44.27	15.51	1,478.61	-
Disposals	-	-	248.67	4.06	44.95	-	312.31	-	
Balance as at 31 March 2019	**-**	**116.34**	**739.78**	**2,713.94**	**22.39**	**63.41**	**51.10**	**3,706.96**	-
Depreciation charge for the year	-	9.09	247.35	1,223.44	10.48	44.48	12.62	1,547.46	-
Impairment Loss (refer note f below)				310.73				310.73	
Disposals	-	-	11.72	143.48	0.90	8.99	9.18	174.27	-
Balance as at 31 March 2020	**-**	**125.43**	**975.41**	**4,104.63**	**31.97**	**98.90**	**54.54**	**5,390.88**	**-**
Net carrying amount									
As at 31 March 2019	**471.30**	**767.84**	**2,623.24**	**8,938.01**	**35.20**	**82.94**	**33.97**	**12,952.50**	**357.34**
As at 31 March 2020	**471.30**	**758.75**	**2,523.71**	**8,143.36**	**35.61**	**64.21**	**28.47**	**12,025.41**	**416.11**

Note:

a. **Contractual obligations**
Refer note 2.31

b. **Capitalised borrowing cost**
There is no borrowing costs capitalised during the year ended 31 March 2020 (31 March 2019: Nil).

c. **Property, plant and equipment pledged as security**
Refer note 2.28

d. Additions to Plant & equipment include research & devopment assets capitalised during the year ₹ 8.87 Lakhs (31st March 2019 - ₹ 32.99 Lakhs) (Refer note 2.26.1)

e. The Gross Carrying value, Accumulated depreciation and Net Carrying value as at 31 March 2020 and 31 March 2019 includes the assets of M/s Reva Proteins Limited, erstwhile subsidiary company, (the 'Transferor company') which was merged with the Company w.e.f 01 April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27 March 2019. The carrying value of assets and liabilities of the Transferor company as of 01 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 for the assets of the Holding Company at its Reva division, Bharuch, the Holding Company has conducted an impairment testing of the carrying value of Fixed Assets as at 31st March 2020 in the manner prescribed in Ind AS 36. Based on cash flow projections made by the Holding Company, the recoverable amount of the group of assets is determined to be ₹ 2677.78 Lakhs as against the carrying amount of ₹ 2988.51 Lakhs and therefore the Holding Company has made a provision for impairment in Plant & equipment to the extent of ₹ 310.73 Lakhs during the year ended 31 March 2020.The impairment provision is included within other expenses in the statement of profit and loss.

g. Right of Use Asset includes "Leasehold land" which represents land obtained on long term lease from various Government authorities. The same has been reclassified to Right of Use Assets on account of adoption of Ind AS 116 "Leases"

Leashold land 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 allotted to and taken possession by the Transferor 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 transfer in the name of the Holding Company) and in respect of the balance area of 12,486.25 square metres (Net Book Value of ₹ 71.83 Lakhs), the lease agreement is expected to be executed after GIDC receives possession of the same from the Government of Gujarat.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.02 Other Intangible assets

	Software	Total
Gross carrying amount:		
Balance as at 1 April 2018	**86.28**	**86.28**
Additions	15.83	15.83
Disposals	8.65	8.65
Balance as at 31 March 2019	**93.46**	**93.46**
Additions	14.11	14.11
Disposals	2.13	2.13
Balance as at 31 March 2020	**105.44**	**105.44**
Accumulated depreciation		
Balance as at 1 April 2018	**34.74**	**34.74**
Amortisation for the year	22.39	22.39
Disposals	2.78	2.78
Balance as at 31 March 2019	**54.35**	**54.35**
Amortisation for the year	15.60	15.60
Disposals	-	-
Balance as at 31 March 2020	**69.95**	**69.95**
Net carrying amount		
As at 31 March 2019	**39.11**	**39.11**
As at 31 March 2020	**35.49**	**35.49**

Note:
Contractual obligations
There are no contractual commitments for the acquisition of intangible assets.

	As at 31 March 2020	As at 31 March 2019
2.03 Investments		
At FVOCI (Quoted)		
a) 4200 (4200) Equity Shares of ₹ 1/- each in State Bank of India, fully paid up	8.27	13.47
b) 100 (100) Equity Shares of ₹ 10/- each in Industrial Finance Corporation of India Limited, fully paid up	-	0.01
Aggregate amount of quoted investments	**8.27**	**13.48**
Valued at cost (Unquoted)		
a) 60,000 (60,000) fully paid up Equity Shares of ₹ 10/- each in Kerala Enviro Infrastructure Limited	6.00	6.00
b) 4,14,000 (4,14,000) fully paid up Equity Shares of ₹ 10/- each in Narmada Clean Tech Limited #	41.40	41.40
c) 300,000 (300,000) fully paid up Equity Shares of ₹ 10/- each in Seafood Park India Limited	31.50	31.50
d) 50,000 (50,000) fully paid up Equity Shares of ₹ 10/- each in Cochin Waste 2 Energy Private Limited	5.00	5.00
Less: Provision for impairment in value of investments	(5.00)	(5.00)
Aggregate amount of unquoted investments	**78.90**	**78.90**
	87.17	**92.38**

These Investments are in the name of the transferer company, which is currently pending for transfer in the name of the Holding Company. (Refer note 2.42).

2.04 Loans		
Non-current		
Unsecured (Considered Good)		
Security deposits	412.68	415.56
Loan to employees	5.18	17.33
	417.86	**432.89**
Current		
(Unsecured, considered good)		
Security deposits	3.38	3.22
Loan to employees	3.62	20.62
	7.00	**23.84**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
2.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Balance with bank-deposit Accounts *	91.16	23.01
	Earmarked balances with banks for unpaid dividend **	14.45	15.83
		105.61	**38.84**
	Current		
	(Unsecured, considered good)		
	Advances recoverable in cash or in kind	75.95	81.61
	Hedge asset	-	234.37
	Interest receivable	12.25	12.71
	Others	22.42	5.30
		110.62	**333.99**

* Balance with banks in deposit accounts include deposits held as security against Letter of Credits/ Guarantee with a maturity of more than twelve months.

** Not due for deposit in the investor education and protection fund.

		As at 31 March 2020	As at 31 March 2019
2.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	Capital advance	34.43	55.77
	Export incentive receivable [refer note (a) below]	624.17	356.08
	VAT refund receivable	88.27	85.91
	Deposit with Government authorities	78.16	83.27
	(Unsecured, considered doubtful)		
	Export incentive receivable [refer note (a) and (b) below]	177.76	177.76
	Less: Provision for doubtful advances	(177.76)	(177.76)
		826.07	**581.42**
	Current		
	(Unsecured, considered good)		
	Balances with statutory authorities	109.01	174.61
	Prepaid expenses	118.62	154.97
	Export entitlement receivable	250.95	208.07
	Advances to suppliers and contractors	142.81	111.14
		621.39	**648.79**

Export incentives receivable includes:
(a) Claims amounting to ₹ 208.18 Lacs (31 March 2019: ₹ 208.18 Lacs) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Holding Company had also availed Duty Drawback benefit for the corresponding periods amounting to ₹ 41.51 Lakhs (31 March 2019: ₹ 41.51 Lakhs). 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 Holding 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 Holding 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 prudence.

(b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to ₹ 64.62 Lakhs (31 March 2019: ₹ 64.62 Lakhs) which has been decided against the Holding Company by the division bench of the Hon'ble High Court of Kerala. The Holding 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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
2.07	**Inventories**		
	Raw materials	2,019.05	1,492.00
	Raw materials in-transit	81.65	146.42
	Work-in-progress	3,709.81	2,947.42
	Finished goods	2,547.97	1,485.57
	Stores and spares	700.12	838.57
	Others	67.85	85.28
		9,126.45	**6,995.26**

Method of Valuation of Inventories - Refer 2(n) of Significant Accounting Policies.
For inventories pledged as security refer note 2.28

		As at 31 March 2020	As at 31 March 2019
2.08	**Trade Receivables**		
	Considered good - Unsecured	1,885.89	2,628.83
	Receivable from related parties (refer note 2.36)	1,542.06	3,717.99
	Credit impaired	45.05	45.05
		3,473.00	6,391.87
	Less: Allowance for doubtful trade receivables	(45.05)	(45.05)
		3,427.95	**6,346.82**
2.09	**Cash and cash equivalents**		
	Balance with banks		
	- In Current accounts	127.80	426.49
	- In Deposit accounts *	-	20.50
	Cash on hand	8.70	3.18
		136.50	**450.17**
2.10	**Bank balances other than cash and cash equivalents**		
	Balance with Banks (with maturity more than three months but less than twelve months)		
	- In Deposit Accounts *	88.87	127.32
		88.87	**127.32**

*Balance with banks in Deposit accounts include ₹ 78.19 Lakhs (31 March 2019 : ₹ 140.08 Lakhs) with a maturity period of less than twelve months, which are held as security against Letter of Credits / Guarantee and Buyers Credit.

2.11 Equity share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity share of ₹ 10 each	40,000,000	4,000	40,000,000	4,000
Optionally convertible non cumulative preference shares of ₹ 170 each	929,412	1,580	929,412	1,580
Optionally convertible non cumulative preference shares of ₹ 10 each	20,000,000	2,000	20,000,000	2,000
Redeemable preference shares of ₹ 10 each	4,444,444	444.44	4,444,444	444.44
	65,373,856	**8,024.44**	**65,373,856**	**8,024.44**
(b) Issued, subscribed and fully paid-up equity shares				
Equity share of ₹ 10 each	9,079,160	907.92	9,079,160	907.92
	9,079,160	**907.92**	**9,079,160**	**907.92**

(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 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity share of ₹ 10 each				
Opening balance	9,079,160	907.92	9,079,160	907.92
Issue of shares during the year	-	-	-	-
Closing balance	**9,079,160**	**907.92**	**9,079,160**	**907.92**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

(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 ₹ 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 Holding 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 2020		As at 31 March 2019	
	No. of shares	%.	No. of shares	%
Equity share of ₹ 10/- each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96
Kerala State Industrial Development Corporation Ltd	2,862,220	31.52	2,862,220	31.52

(d) Distribution of dividend paid and proposed

Particulars	As at 31 March 2020	As at 31 March 2019
Dividends on equity shares declared and paid (for the year ended 31 March 2019 ₹ 1.5 per equity share)	135.56	226.98
Proposed cash dividend for the year ended 31 March 2020(₹ 2.5 per equity share)	226.98	135.56

(e) 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 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	-	-	5.79	5.79

2.12 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Securities Premium	2,895.90	2,895.90
Capital Reserve on Merger	2,750.62	2,750.62
Special Export Reserve (under the Income Tax Act, 1961)	79.00	79.00
General Reserve	7,918.86	7,836.64
Other Equity	984.43	984.43
Retained earnings	348.02	(512.87)
Items of Other comprehensive income		
- Hedge reserve	(450.33)	150.15
- Equity Instruments through OCI	5.37	9.51
- Remeasurement of defined benefit plans(net)	(105.33)	(45.33)
	14,426.54	**14,148.05**

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 from 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 Subsidiary, 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 Other Comprehensive Income:
The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

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are accumulated within the Equity Instruments through OCI. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

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.

2.13 Borrowings

	As at 31 March 2020	As at 31 March 2019
Borrowings		
Non current		
(Secured)		
Term loans from banks		
Foreign Currency Loans	-	64.24
Rupee Term Loans	32.50	61.03
Term loan from related party:		
- Kerala State Industrial Development Corporation	653.53	912.29
(Unsecured)		
Loan from Related Party		
- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	1,152.17	1,285.20
Liability component of optionally convertible preference shares	1,380.61	1,307.03
Liability component of redeemable preference shares	378.61	339.75
	3,597.42	**3,969.54**
Amount disclosed under "Other current financial liabilities" (refer note 2.16)	(728.50)	(583.26)
	2,868.92	**3,386.28**
Current		
(Secured)		
Loans repayable on demand		
From Banks:		
Cash credits / working capital demand loans	3,782.20	4,868.46
Bills discounting	995.12	1,956.98
	4,777.32	**6,825.44**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.13 Borrowings

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2020	As at 31 March 2019
	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 Holding Company on pari passu basis with other lenders and first charge over the other Property , Plant and Equipment of Holding Company on pari passu basis.	Fully repaid during the year	-	19.79
ii.	Canara Bank	Exclusive charge over the Property, Plant and Equipment created with the term loan assistance.	Fully repaid during the year	-	44.45
iii	HDFC Bank	Secured by way of 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 June 2015 in the following manner: From, March 2016 to May 2016 - ₹ 1.17 lakhs From, June 2016 to April 2021 - ₹ 2.73 lakhs In May 2021 - ₹ 0.35 lakhs	32.50	61.03
				32.50	**125.27**
Term loans from related party (Secured)					
i	Kerala State Industrial Development Corporation	Exclusive first charge over the Property, Plant and Equipment of the Holding Company including leasehold assets, both present and future.	The principal is repayable in 22 quarterly installments, commencing from 11 March 2017 in the following manner: From, March 2017 to March 2022 - ₹ 54 Lakhs per quarter In June 2022 - ₹ 53.50 Lakhs per quarter.	473.38	697.55
		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 dated 07 July 2010, SRO Jhagadia.	The principal is repayable in 28 quarterly installments, commencing from 11 March 2017 in the following manner: From March 2017 to December 2019 - ₹ 6.25 Lakhs , from December 2019 to December 2022 - ₹ 12.50 Lakhs and from March 2023 to December 2023 ₹ 18.75 Lakhs per quarter.	180.15	214.74
				653.53	**912.29**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.13 Borrowings (Contd.)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2020	As at 31 March 2019
	Unsecured				
i.	External Commercial Borrowings (ECB) from NGI	The external commercial borrowings (ECB) is not secured by any charge over the assets of the company.	(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 March 2019, 24 March 2020, 24 March 2021, 24 March 2022 and 24 March 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.	1,152.17	1,285.20
		Total		**1,152.17**	**1,285.20**
	The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +6.40 % to + 7.69 %.				
ii.	Optionally convertible preference shares		Refer note (2.13.1) below	1380.61	1307.03
iii	Redeemable Preference Shares .		Refer note (2.13.2) below	378.61	339.75
				1,759.22	**1,646.78**

2.13.1 The Holding company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares (OCPS) with a face value of ₹ 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 ₹ 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 ₹ 170/- each (inclusive of a premium of ₹ 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.

2.13.2 Pursuant to the merger as detailed in Note 2.42 , the Holding Company has issued 44,44,444 numbers of Redeemable Preference shares of ₹ 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company during the financial year 2019-20. These preference shares are redeemable at par at the expiry of seven years from the date of allotment. i.e. 3 April 2019.

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2020	As at 31 March 2019
	Current Borrowings				
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting)	Secured by the hypothecation of entire current assets of the Group 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 Group. The Interest rate ranges from 1 % to 2.5 % over the LIBOR rates.	The loans are repayable on demand	3,736.56	5,553.58
ii	Cash Credit / Short term loans in Indian Rupee from Banks / Financial Institutions	Secured by the hypothecation of entire current assets of the Group 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 Group. The Interest rate ranges from 8.85 % to 10.05%	The loans are repayable on demand	1,040.76	1,271.86
				4,777.32	**6,825.44**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2020	As at 31 March 2019
2.14	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability		
	Differences between book balance and tax balance of property, plant and equipment	1,111.32	1,400.73
	Timing differences on assessment of income	93.33	95.02
	Deferred tax impact on Ind AS adjustments	-	173.28
	Deferred Tax Assets		
	Unabsorbed depreciation and carried forward tax losses	(651.84)	(1,205.40)
	Deferred tax impact on fair value changes	(168.00)	-
	Provision for doubtful debts and others	(126.30)	(144.00)
	Provision for employee benefits	(91.58)	(115.87)
	Others-	(26.26)	
	Deferred Tax Liabilities (Net)	**140.67**	**203.76**

Movement in Deferred Tax Liabilities/assets balances during the year ended 31 March 2020

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability / (assets)				
Differences between book balance and tax balance of property, plant and equipment	1400.73	(289.41)	-	1,111.32
Timing differences on assessment of income	95.02	(1.69)	-	93.33
Deferred tax impact on fair value changes	173.28	(93.65)	(247.43)	(168.00)
Unabsorbed depreciation and carried forwarded tax losses	(1,205.40)	553.56	-	(651.84)
Provision for doubtful debts and others	(144.00)	17.70	-	(126.30)
Provision for employee benefits	(115.87)	48.89	(24.60)	(91.58)
Others	-	(26.26)	-	(26.26)
Deferred Tax Liabilities (Net)	**203.76**	**209.14**	**(272.23)**	**140.67**

Movement in Deferred Tax Liabilities/assets balances during the year ended 31 March 2019

Particulars	Opening Balance	Adjustment made against tax liability	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability / (assets)					
Differences between book balance and tax balance of property, plant and equipment	1,422.72		(21.99)	-	1,400.73
Timing differences on assessment of income	72.14		22.88	-	95.02
Deferred tax impact on fair value changes	153.99		(52.79)	72.08	173.28
Unabsorbed depreciation and carried forwarded tax losses	(1,097.98)		(107.42)	-	(1,205.40)
Provision for doubtful debts and others	(155.67)		11.67	-	(144.00)
Provision for employee benefits	(158.26)		47.09	(4.70)	(115.87)
MAT credit entitlement	(21.84)	21.84	-	-	-
Deferred Tax Liabilities (Net)	**215.10**	**21.84**	**(100.56)**	**67.38**	**203.76**

		As at 31 March 2020	As at 31 March 2019
2.15	**Trade payables**		
	Dues to micro enterprises and small enterprises (refer note (a) below)	61.36	1.47
	Dues to creditors other than micro enterprises and small enterprises		
	- Related parties	-	-
	Nitta Gelatin Inc.	268.14	985.42
	Nitta Gelatin NA Inc.	-	9.55
	- Others	1,838.31	1,167.74
		2,167.81	**2,164.18**

(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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
i) Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	61.36	1.47
ii) Interest due thereon remaining unpaid	1.61	-
iii) Interest paid by the Group 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.	-	-
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.	-	-
v) Interest accrued and remaining unpaid.	1.61	-
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.	-	-

2.16 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Current		
Current maturities of long term borrowings	728.50	583.26
Unpaid dividend*	14.45	15.83
Interest accrued and due on borrowings	13.22	37.52
Interest accrued but not due on borrowings	4.43	3.72
Hedge liability	626.12	-
Employee related liabilities	333.77	268.41
Creditors for capital goods	9.21	16.54
Others	18.16	25.35
	1,747.86	**950.63**

* Earmarked balances with banks for unpaid dividend

2.17 Provisions

Non-current		
Provision for employee benefits (net)	225.89	229.35
	225.89	**229.35**
Current		
Provision for employee benefits (net)	75.11	28.12
Others (Refer Note 2.30)	222.86	222.86
	297.97	**250.98**

2.18 Other liabilities

Current		
Statutory Dues	72.38	78.13
Advance received from Customers	922.85	902.95
	995.23	**981.08**

2.19 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from Sale of goods		
Sale of Products	33,797.15	29,708.73
Other Operating Revenues		
Scrap sale	52.62	42.52
Export incentive	361.97	348.22
Liabilities no longer required written back	0.30	31.58
Other Miscellaneous income	4.82	172.29
	419.71	**594.61**
	34,216.86	**30,303.34**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.19.1 Disclosure under Ind AS 115 -Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 2.29 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

The Group's performance obligation are satisfied upon shipment and payment is generally due by 30 to 180 days.

		Year ended 31 March 2020	Year ended 31 March 2019
2.19.2	**Reconciliation of Revenue from sale of goods with the contracted price**		
	Contracted price	33,931.93	29,771.55
	Less : Trade discount, rebates etc	(134.78)	(62.82)
	Net Revenue recognised from contracts with customers	**33,797.15**	**29,708.73**
2.20	**Other Income**		
	Interest Income	16.92	39.93
	Interest received on income tax refund	0.71	-
	Dividend income from non current investments	0.30	0.42
	Net gain on foreign currency transactions and translations	82.70	-
	Profit on sale of assets (net)	-	16.83
	Miscellaneous Income	60.69	34.45
		161.32	**91.63**
2.21	**Cost of materials consumed**		
	Opening Stock	1,638.42	1,746.53
	Add: Purchases	18,521.45	12,906.52
		20,159.87	**14,653.05**
	Less: Closing Stock	2,100.70	1,638.42
		18,059.17	**13,014.63**
2.22	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock		
	Finished Goods	1,485.57	1,802.03
	Work-in-progress	2,947.42	2,668.93
		4,432.99	**4,470.96**
	Less:		
	Closing Stock		
	Finished Goods	2,547.97	1,485.57
	Work-in-progress	3,709.81	2,947.42
		6,257.78	**4,432.99**
		(1,824.79)	**37.97**
2.23	**Employee benefits expense**		
	Salaries and Wages	3,309.61	3,059.78
	Contribution to Provident and Other Funds	308.41	344.59
	Workmen and Staff Welfare Expenses	469.88	446.43
	Less: Transfer to Research & Development expenditure (refer Note 2.26.1)	(122.26)	(117.45)
		3,965.64	**3,733.35**
2.24	**Finance costs**		
	Interest expense - on bank borrowings	526.46	556.58
	Other borrowing cost	251.05	260.49
		777.51	**817.07**
2.25	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	1,547.46	1,478.61
	Amortisation of intangible assets	15.60	22.39
		1,563.06	**1,501.00**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
2.26	**Other Expenses**		
	Consumption of Stores, Spares and Consumables	797.13	950.53
	Effluent discharge charges	145.59	194.27
	Contract labour charges	165.89	205.30
	Packing materials consumed	307.69	278.51
	Research and development expenditure (See Note 2.26.1)	146.39	145.19
	Power, fuel, water and gas	4,381.71	4,209.65
	Repairs		
	- Building	183.85	118.97
	- Plant & equipment	1,032.28	947.94
	- Others	419.77	402.54
	Loading, Transportation and Other charges on products	735.30	701.34
	Freight on Exports	193.76	228.11
	Insurance	79.46	77.72
	Rent	41.84	46.52
	Rates and Taxes	245.65	89.58
	Postage and Telephone	45.05	48.72
	Printing & Stationery	19.61	19.04
	Travelling and Conveyance	273.40	314.27
	Director's sitting fee	13.04	11.30
	Payments to statutory auditor (See Note 2.26.2)	26.29	24.13
	Advertisement & Publicity	23.26	29.93
	Professional & Consultancy charges	270.93	341.75
	Bank Charges	62.71	63.67
	Expenses on Corporate Social Responsibility activities (See Note 2.26.3)	32.78	53.67
	Loss on assets sold/Written off (Net)	8.82	20.91
	Security service charges	245.25	216.09
	Provision for impairment on Plant and equipment	310.73	-
	Net loss on foreign currency transactions and translations	-	184.63
	Net loss on cash flow hedges realised	-	156.23
	Miscellaneous expenses	288.10	182.61
		10,496.28	**10,263.12**
2.26.1	**Details of Research & Development Expenditure**		
	a) Revenue expenditure charged to statement of profit & loss		
	Salary and allowances	122.26	117.45
	Other expenses (Net of recoveries)	24.13	27.70
		146.39	**145.15**
	b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	8.87	32.99
2.26.2	**Payments to statutory auditors**		
	Statutory audit fees	25.00	20.88
	Other services		
	Taxation matters	-	1.18
	Others (including certification)	0.55	1.05
	Reimbursement of expenses	0.74	1.02
		26.29	**24.13**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
2.26.3 Details of expenses on Corporate Social Responsibility activities		
a. Gross amount required to be spent by the Group during the year	32.50	51.02
b. Amount spent during the year on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	32.78	53.67
2.27 Earnings per share (EPS) (basic and diluted)		
a) Profit after tax attributable to equity shareholders	1,124.16	347.11
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 (₹)	**12.38**	**3.82**
e) Number of equity shares used to compute diluted earnings per share	90,79,160	90,79,160
f) Diluted earnings per share (₹)	**12.38**	**3.82**

	As at 31 March 2020	As at 31 March 2019
2.28 Assets pledged as security		
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
Current		
First charge		
Financial assets		
Trade receivables	3,427.95	6,346.82
Cash and cash equivalents	136.50	450.17
Bank balances other than cash and cash equivalents	88.87	127.32
Other financial assets	110.62	333.99
Inventories	9,126.45	6,995.26
Other current assets	621.39	648.79
Total current assets pledged as securities	**13,511.78**	**14,902.35**
Non-current		
First charge		
Property, plant and equipment (PPE) and Capital work-in-progress	12,441.52	13,309.84
Total non-current assets pledged as securities	**12,441.52**	**13,309.84**
Total assets pledged as security	**25,953.30**	**28,212.19**

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 2020	Year ended 31 March 2019
Sales by Products	33,797.15	29,708.73
	33,797.15	**29,708.73**

(ii) Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues:

India	20,130.01	15,354.70
Outside India	13,667.14	14,354.03
	33,797.15	**29,708.73**

(iii) Non-current assets (other than financial instruments, non current tax and deferred tax assets) located in the Group's country of domicile and in all foreign countries in which the Group holds assets:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	13,303.08	13,930.37
Outside India		-
	13,303.08	**13,930.37**

(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 2020	Year ended 31 March 2019
Revenue from top customer	7,441.90	8,147.73
Revenue from customers contributing 10% or more to the Group's revenues from product sale	15,755.79	17,521.73

2.30 Provisions and Contingent Liabilities

2.30.1 Provisions

Nature of Provision	Balance as at 1 April 2019	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	Balance as at 31 March 2020
Provision for Central Excise Duty.	132.29	-	-	-	132.29
(See Note 2.30.1(i))	(132.29)	-	-	-	(132.29)
Provision for Central Sales Tax	28.74	-	-	-	28.74
(See Note 2.30.1(ii))	(28.74)	-	-	-	(28.74)
Provision for Water Cess	61.83	-	-	-	61.83
(See Note 2.30.2(iv))	(61.83)	-	-	-	(61.83)
Provision for Entry Tax	-	-	-	-	-
(See Note 2.30.1(iii))	(11.00)	-	(11.00)	-	-

(Figures in brackets represents corresponding figure for the previous financial year)

2.30.1(i) Central Excise authorities have issued show cause notices proposing to withdraw CENVAT credit availed by the Holding Company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to ₹ 350.75 Lakhs (31 March 2019 : ₹ 350.75 Lakhs) 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 ₹ 132.29 Lakhs (31 March 2019 : ₹ 132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2019 : ₹ 218.45 Lakhs) 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 ₹ 28.74 Lakhs (31 March 2019 : ₹ 28.74 Lakhs) 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 prudence.

2.30.1(iii) The Sales Tax authorities had raised demand for entry tax on furnace oil for an amount of ₹ 22.01 Lakhs in an earlier year and was under appeal. Against the demand an amount of ₹ 11.00 Lakhs 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 ₹ 11.00 Lakhs during the previous year.

2.30.2 Contingent Liabilities not provided for:

	Year ended 31 March 2020	Year ended 31 March 2019
1. Claims against the Group not acknowledged as debts:		
a. Income tax (refer Note2.30.2(i))	167.61	134.96
b. Sales tax (refer Note 2.30.2(ii))	783.94	783.94
c. Excise duty (referNote 2.30.1(i) and 2.30.2(iii))	297.12	299.46
d. Water cess (refer Note 2.30.2(iv))	653.01	653.01
e. Customs duty (refer Note 2.30.2(v))	1,968.36	1,968.36
2. Counter guarantee issued in favour of bankers	89.30	59.62
3. Counter guarantee issued in favour of Subsidiary Company	460.32	698.70
a. Bamni Proteins Limited. - Amount outstanding		
Amount of Guarantee - ₹ 750 Lakhs (31 March 2019: ₹ 750 Lakhs)		
	4,419.66	**4,598.05**

2.30.2(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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

The Company has received tax orders from the Income tax authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 82.36 Lakhs (31 March 2019 : ₹ 82.36 Lakhs) , priamarily 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 ₹ 512.07 Lakhs (31 March 2019 : ₹ 512.07 Lakhs), priamarily 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 ₹ 783.94 Lakhs (31 March 2019: ₹ 783.94 Lakhs) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Holding 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 ₹ 7.21 Lakhs (31 March 2019: ₹12.93 Lakhs) 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 ₹ 71.46 Lakhs (31 March 2019 : ₹ 68.08 Lakhs), 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 ₹ 714.84 Lakhs 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 Holding 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 ₹ 61.83 Lakhs 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 the periods from 01 April 1979 to 24 July 2009 amounting to ₹ 653.01 Lakhs , being periods prior to the issue of the Government order which has been disclosed as contingent liability.

2.30.3 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 year, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1091.21 Lakhs. 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 ₹ 151.12 Lakhs (31 March 2019: ₹ 146.65 Lakhs)

2.32 In respect of raw materials imported at concessional rate of duty under the Advance Authorisation Scheme, the Company has fulfilled the export obligation which is required to be fulfilled as per the Licensing Norms and has settled the differential duty along with Interest for the portion of raw material which is used for domestic market requirements. However for certain portion of the material exported, the advance license number was not endorsed in the shipping bill due to oversight. Company is in the process of getting the endorsement effected by Customs Department for the exports so effected. The companys, application for endorsement of Advance Authorisation Number in the shipping bill for exports is pending for disposal before the Customs Authorities at this stage. Since the Company's dispute on classification / reassessment of the raw material is pending for adjudication before the appellate tribunal and based on the legal advice received, the company is hopeful of a favourable decision. As on 31 March 2020 the Holding Company has created a provision of ₹ 68.28 Lakhs towards the duty along with applicable interest on the same as a matter of prudence.

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 Leases

Rental expense recorded for short-term leases during the year ended 31 March 2020 is ₹ 41.84 Lakhs (31 March 2019: ₹ 46.52 Lakhs).

The Group's significant leasing arrangements, other than land, are in respect of office premises and warehouses taken on lease for which rent expenses has been charged to profit and loss. The arrangements generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given.

The Group's lease asset classes consist of leases for land, refer note 2.01 to the consolidated financial statements. The Group has not entered into any other material lease arrangements.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.35 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2020	Year ended 31 March 2019
Current income tax:		
Current income tax charge	326.17	341.30
Income tax relating to earlier years	(310.97)	-
MAT credit entitlement	(118.00)	-
Deferred tax charge/ (credit)		
Relating to the origination and reversal of temporary differences	209.14	(100.56)
Income tax expense reported in Statement of Profit and Loss	**106.34**	**240.74**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(24.60)	(4.70)
Income tax relating to measurement of financial assets through OCI	(1.08)	0.62
Income tax relating to gain on cash flow hedges	(246.55)	71.46
	(272.23)	**67.38**

* During the current year, the Income Tax Appellate Tribunal has passed appellate orders in favour of the Holding Company with respect to the Assessment years 2009-10 and 2010-11. Consequently, the provision for Income tax ₹ 310.97 Lakhs carried in the books relating to these assessment years have been reversed in the current financial year.

The Holding Company has evaluated the impact of the newly introduced Section 115BAA of the Taxation Laws (Amendment) Ordinance, 2019 and has decided not to opt for the same in view of the carry forward losses and MAT Credit carried by the Holding Company in the tax books. The subsidiary company has opted for the new ordinance and has considered the normal tax expenses and deferred tax expenses as per the new rate.

Reconciliation of deferred tax (net)	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	203.76	215.10
Tax credit / (expense) during the year recognized in statement of profit and loss	209.14	(100.56)
Tax expense during the year recognised in OCI	(272.23)	67.38
MAT credit utilisation	-	21.84
Closing balance	**140.67**	**203.76**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit before tax and exceptional item	**1,341.31**	**732.96**
Tax on profit at statutory income tax rate of the Holding Company - 29.12% (31 March 2019: 33.384%)	390.59	244.69
Tax effects of:		
Non deductible expenses	9.39	24.92
Tax incentives and exempt income	(86.58)	(39.77)
Tax effect of change in tax rates	(25.92)	0.96
Income tax relating to earlier years	(310.97)	-
Effect of lower tax rate in subsidiary	(33.54)	-
Adjustment for taxes with respect to earlier years	76.78	-
Others	86.59	9.94
Income tax expense reported in the Statement of Profit and Loss	**106.34**	**240.74**

2.36 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 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. Kerala State Industrial Development Corporation	-	Enterprise having substantial interest in the Holding Company

vi. Key Managerial Personnel

1. In case of Holding Company
   - Mr. Sajiv K. Menon - Managing Director
   - Dr. Shinya Takahashi - Whole-time Director
2. In case of Subsidiary
   - Mr. E. Kesavan - Managing Director
3. Non-Executive Directors:
   - Dr. K. Ellangovan
   - Dr. M. Beena
   - Mr. Sanjay M. Kaul
   - Mr. M T Binil Kumar
   - Dr. Sharmila Mary Joseph

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

B. Detail of Transactions:

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/Trust controlled by the Holding Company		Key Management Personnel		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Sale and Income						
1 Sale of Goods						
Nitta Gelatin Inc	7,441.90	8,147.73	-	-	7,441.90	8,147.73
Nitta Gelatin NA Inc	3,962.19	4,684.21	-	-	3,962.19	4,684.21
2 GSP duty refund received on exports to related party refunded by them						
Nitta Gelatin NA Inc	-	105.74	-	-	-	105.74
Purchase and Expenses						
1 Commission expense:						
Nitta Gelatin Inc						
- For Sale of Gelatin	9.54	8.41	-	-	9.54	8.41
- For Sale of Peptide	4.60	0.99	-	-	4.60	0.99
2 Rebate/ Discount expense:						
Nitta Gelatin Inc	8.57	9.53	-	-	8.57	9.53
Nitta Gelatin NA Inc	2.39	0.63	-	-	2.39	0.63
3 Technical Assistance Fee:						
Nitta Gelatin Inc	20.11	41.04	-	-	20.11	41.04
4 Interest expense on External Commercial Borrowings						
Nitta Gelatin Inc	101.15	116.95	-	-	101.15	116.95
5 Interest expense on loans						
Kerala State Industrial Development Corporation	83.72	100.67			83.72	100.67
6 Reimbursement of Expenses (Net):						
Nitta Gelatin Inc	24.24	9.29	-	-	24.24	9.29
7 Donations / Corporate Social Responsibility contribution						
K.T.Chandy Seiichi Nitta Foundation (See Note 3.29.3)	42.36	44.26	-	-	42.36	44.26
8 Remuneration (refer note below)						
Mr. Sajiv K. Menon	-	-	170.56	154.75	170.56	154.75
Dr. Shinya Takahashi	-	-	24.47	24.42	24.47	24.42
Mr. E.Kesavan	-	-	34.32	32.53	34.32	32.53
9 Sitting fees						
Dr. K. Ellangovan	-	-	0.61	0.36	0.61	0.36
Dr. M. Beena	-	-	-	0.36	-	0.36
Mr. Sanjay M. Kaul	-	-	-	0.18	-	0.18
Mr. M.T. Binil Kumar	-	-	-	0.40	-	0.40
Dr. Sharmila Mary Joseph	-	-	0.18	-	0.18	-
Dividend paid on equity shares						
Nitta Gelatin Inc	103.50	97.51	-	-	103.50	97.51
Dividend on preference shares						
Nitta Gelatin Inc	85.37	85.37	-	-	85.37	85.37

Notes:

a) Does not include gratuity and compensated absences as these are provided in the books on the basis of actuarial valuation for the Group as a whole and hence individual figures cannot be determined.

b) During the current year, the managerial remuneration paid by the Group 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 ₹ 98.66 Lakhs (Previous Year ₹ 59.16 Lakhs). The Group has already obtained the approval from its shareholders for regularising the excess remuneration in the Annual General meeting held during August 2019.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.36 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (cont'd)

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 Holding Company		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Receivables				
- Nitta Gelatin Inc	517.48	2,203.00	517.48	2,203.00
- Nitta Gelatin NA Inc	1,024.58	1,514.99	1,024.58	1,514.99
Payables				
- Nitta Gelatin Inc				
Term loan	1,152.17	1,285.20	1,152.17	1,285.20
Other payables	268.14	985.42	268.14	985.42
- Nitta Gelatin NA Inc				
Other payables	-	9.55	-	9.55
- Kerala State Industrial Development Corporation				
Term loan	653.53	912.29	653.53	912.29

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 2020. 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.

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 2020 and 31 March 2019 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 Group's financial statements :

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	908.55	841.64
Fair value of plan assets as at the end of the year	(845.49)	(836.84)
Net liability recognized in the Balance Sheet	**63.06**	**4.80**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	841.64	787.91
Service cost	57.06	54.07
Interest cost	65.67	62.58
Actuarial losses / (gains) arising from	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	87.52	15.08
- experience variance (i.e. Actual experiences assumptions)	-	-
Benefits paid	(143.34)	(78.00)
Defined benefit obligation as at the end of the year	**908.55**	**841.64**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	836.84	739.17
Return on plan assets	66.95	59.13
Actuarial (losses) / gains	(8.38)	(47.32)
Contributions	93.42	163.86
Benefits paid	(143.34)	(78.00)
Fair value as at the end of the year	**845.49**	**836.84**
Description of Plan Asset		
Insurer Managed Funds (LIC of India)	845.49	836.84
Assumptions used in the above valuations are as under:		
Discount rate	7.50%	7.50%
Salary increase	5%	5%
Superannuation age	58	58
Attrition rate	3%	3%
Mortality	Indian Assured Lives Mortality[1994-96] Ultimate	
4 Net gratuity cost for the year ended 31 March 2020 and 31 March 2019 comprises of following components.		
Service cost	57.06	54.07
Net interest cost on the net defined benefit liability	7.10	50.77
Net defined benefit expense debited to statement of profit and loss	**64.16**	**104.84**
5 Remeasurement (gain)/ loss recognised in other comprehensive income		
Change in financial assumptions	87.52	15.08
Experience variance (i.e. actual experience vs assumptions)	-	-
Return on plan assets, excluding amount recognized in net interest expense		
Change in demographic assumptions	-	-
Recognized in other comprehensive income	**87.52**	**15.08**

2.37 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 ₹ 295.21 Lakhs (Previous Year ₹ 284.14 Lakhs) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the Schemes.

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 Group is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Group 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 Group 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 Group has used certain mortality and attrition assumptions in valuation of the liability. The Group 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 Group 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:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Increase/(decrease) on present value of defined benefits obligations at the end of the year:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate (- / + 1%)	(80.99)	95.33	(76.62)	90.24
Salary Growth Rate (- / + 1%)	87.45	(75.66)	82.96	(71.76)
Attrition rate (- / + 1%)	(3.32)	(8.02)	0.86	(0.86)

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 to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, 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 2020 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	2.03	-	-	87.17
Cash and cash equivalents	2.09	136.50	-	-
Bank balances other than cash and cash equivalents	2.10	88.87	-	-
Trade receivable	2.08	3,427.95	-	-
Loans	2.04	424.86	-	-
Other financial assets	2.05			-
Balances with Bank - Deposit Accounts		91.16		
Earmarked balances with banks for unpaid dividend		14.45		
Advances recoverable in cash or in kind		75.95	-	-
Interest receivable		12.25	-	-
Others		22.42	-	-
Total		**4,294.41**	**-**	**87.17**
Liabilities:				
Borrowings	2.13	7,646.24	-	-
Trade payable	2.15	2,167.81	-	-
Other financial liabilities	2.16			
Current maturities of long term borrowings		728.50	-	-
Unpaid Dividend		14.45	-	-
Interest accrued and due on borrowings		13.22	-	-
Hedge liability		-	626.12	-
Employee related liabilities		333.77		
Interest accrued but not due on borrowings		4.43	-	-
Creditors for capital goods		9.21	-	-
Others - Recoveries Payable		18.16	-	-
Total		**10935.79**	**626.12**	**-**

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	2.03	-	-	92.38
Cash and cash equivalents	2.09	450.17	-	-
Bank balances other than cash and cash equivalents	2.10	127.32	-	-
Trade receivable	2.08	6,346.82	-	-
Loans	2.04	456.73	-	-
Other financial assets	2.05			
Balances with Bank - Deposit Accounts		23.01	-	-
Earmarked balances with banks for unpaid dividend		15.83	-	-
Advances recoverable in cash or in kind		81.61	-	-
Hedge asset		-	234.37	-
Interest receivable		12.71	-	-
Others		5.30	-	-
Total		**7,519.50**	**234.37**	**92.38**
Liabilities:				
Borrowings	2.13	10,211.72	-	-
Trade payable	2.15	2,164.18	-	-
Other financial liabilities	2.16			
Current maturities of long term borrowings		583.26	-	-
Unpaid Dividend		15.83	-	-
Employee related liabilities		268.41	-	-
Interest accrued and due on borrowings		37.52	-	-
Interest accrued but not due on borrowings		3.72	-	-
Creditors for capital goods		16.54	-	-
Others - Recoveries Payable		25.35	-	-
Total		**13,326.53**	**-**	**-**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 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.

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 2020	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	2.03	8.27	-	78.90	87.17
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.05	-	(626.12)	-	(626.12)

As at 31 March 2019	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments	2.03	13.48	-	78.90	92.38
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	2.05	-	234.37	-	234.37

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 counterparty 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 2020	As at 31 March 2019
Trade receivable	3,427.95	6,346.82
Loans to employees	8.80	37.95
Security deposit	416.06	418.78
Balance with bank-Deposit Accounts	91.16	23.01
Earmarked balances with banks for unpaid dividend	14.45	15.83
Advances recoverable in cash or in kind	75.95	81.61
Hedge asset	-	234.37
Interest receivable	12.25	12.71
Investments	87.17	92.38
Cash and cash equivalents	136.50	450.17
Bank balances other than cash and cash equivalents	88.87	127.32
Others	22.42	5.30
Total	**4,381.58**	**7,846.25**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

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 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.

Movement in the Allowance for doubtful trade receivables:

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	45.05	54.24
Impairment loss recognised		-
Impairment loss reversed	-	(9.19)
Balance at the end	**45.05**	**45.05**

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible, since the counterparties 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 2020, 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 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	4,77.32	2,490.31	378.61	7,646.24
Trade payable	2,167.81	-	-	2,167.81
Other financial liabilities	1,747.86	-	-	1,747.86
Total	**8,692.99**	**2,490.31**	**378.61**	**11,561.91**
As at 31 March 2019	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	6,825.44	3,046.53	339.75	10,211.72
Trade payable	2,164.18	-	-	2,164.18
Other Financial liabilities	950.63	-	-	950.63
Total	**9,940.25**	**3,046.53**	**339.75**	**13,326.53**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

2.39 Financial risk management (cont'd)

(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 2020		As at 31 March 2019	
Included In	Currency	Amount in foreign currency	Amount in ₹ Lakhs	Amount in foreign currency	Amount in ₹ Lakhs
Financial assets					
Trade receivables	USD	29.14	2,185.97	65.20	4,481.20
	EURO	1.87	153.39	-	-
Financial liabilities					
Trade payables	USD	4.78	362.75	14.86	1,034.70
	Japanese YEN	16.87	11.64	13.96	8.79
Non Current Borrowings	USD	-	-	0.92	64.24
Current Borrowings	USD	48.32	3,667.13	79.75	5,553.58
	EURO	0.82	69.43	-	-

Conversion rates	Financial Assets		Financial Liabilities		
	USD	EUR	USD	EUR	JPY
As at 31 March 2020	75.01	82.03	75.89	84.67	0.69
As at 31 March 2019	68.73	76.63	69.63	78.68	0.63

Sensitivity

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

Particulars	Increase 31 March 2020	Decrease 31 March 2020	Increase 31 March 2019	Decrease 31 March 2019
Sensitivity				
INR/USD	(14.98)	14.98	(20.85)	20.85
INR/EURO	0.86	(0.86)	-	-
INR/YEN	(0.12)	0.12	(0.09)	0.09

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 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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2020	31 March 2019
Forward Contracts		
In USD (in Lakhs)	157.65	125.26

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 2020	31 March 2019
Not later than one month	16.24	11.70
Later than one month and not later than three months	40.43	25.64
Later than three months and not later a year	100.98	87.92

The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

C2 Interest rate risk

(i) Liabilities

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	3,597.42	3,969.54
Fixed rate borrowing	-	-
Total borrowings	**3,597.42**	**3,969.54**
Amount disclosed under other current financial liabilities	728.50	583.26
Amount disclosed under borrowings	2,868.92	3,386.28

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2020	31 March 2019
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	35.97	39.70
Interest rates – decrease by 100 basis points (100 bps)	(35.97)	(39.70)

(ii) Assets

The Group'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.

C3 Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

2.40 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 to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Long term borrowings	2868.92	3386.28
Current maturities of long term borrowings	728.5	583.26
Short term borrowings	4777.32	6825.44
Trade payables	2167.81	2164.18
Less: Cash and cash equivalents	(136.50)	(450.17)
Less: Bank balances other than cash and cash equivalents	(88.87)	(127.32)
Net debt	**10,317.18**	**12,381.67**
Equity	907.92	907.92
Other Equity	14426.54	14148.05
Capital and net debt	**25,651.64**	**27,437.64**
Gearing ratio	**40.22%**	**45.13%**

2.41 Disclosure of Additional Information pertaining to the Parent Company and Subsidiary as per Schedule III of the Companies Act, 2013

31 March 2020:

Name of the Company	Net assets (total assets - total liabilities)		Share in Profit/(loss)		Share in other comprehensive 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 Limited	91.57%	14,317.31	63.93%	789.54	86.38%	(588.23)	36.34%	201.31
Subsidiary company - Indian								
Bamni Proteins Limited	10.92%	1707.07	50.84%	627.82	13.62%	(92.76)	96.58%	535.06
Total		**16,024.38**		**1417.36**		**(680.99)**		**736.37**
Consolidation adjustments	-2.49%	(388.64)	-14.77%	(182.39)	-	-	-32.92%	(182.39)
Total	**100%**	**15,635.74**	**100%**	**1,234.97**	**100%**	**(680.99)**	**100%**	**553.98**
Minority Interests in subsidiary	1.93%	301.28	8.97%	110.81	2.40%	(16.37)	17.05%	94.44

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

31 March 2019:

Name of the Company	Net assets (total assets - total liabilities)		Share in Profit/(loss)		Share in other comprehensive 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 Limited	93.06%	14,253.94	-53.57%	(263.66)	85.87%	112.47	-24.26%	(151.19)
Subsidiary company - Indian								
Bamni Proteins Limited	9.66%	1,479.42	167.03%	822.17	14.13%	18.51	134.90%	840.68
Total		**15,733.36**		**558.51**		**130.98**		**689.49**
Consolidation adjustments	-2.72%	(416.29)	-13.46%	(66.29)	-	-	-10.64%	(66.29)
Total	**100%**	**15,317.07**	**100%**	**492.22**	**100%**	**130.98**	**100%**	**623.20**
Minority Interests in subsidiary	1.70%	261.10	29.48%	145.11	2.50%	3.27	23.81%	148.38

2.42 Business Combination

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 by the Order dated 27th March 2019, erstwhile subsidiary company, M/S. Reva Proteins Limited (the "Transferor Company") was merged with the Holding Company with effect from 1st April 2017. Accordingly, all the assets and liabilities of Transferor Company were transferred to and vested in the Holding Company, on a going concern basis with effect from the appointed date 1 April 2017. The Scheme has been accounted for using the Pooling of Interest Method as prescribed under the Scheme. The Scheme provides for the issuance of 44,44,444 numbers of redeemable preference shares of ₹ 10 each to Nitta Gelatin Inc as consideration for the equity holding of 48,00,000 shares in the Transferor company which has been allotted during the year. The difference between the consideration and the value of net identifiable assets taken over as of 1st of April, 2017 amounting to ₹ 2,750.62 Lakhs was 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 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 31 March 2020	Net Block as on 31 March 2020
Land	Leasehold	622.69	558.45
Building	Freehold	1,668.23	787.79

2.43 Events after the Balance sheet date

The Board of Directors of the Holding Company have recommended a final dividend of ₹ 2.50 per share to be paid on equity shares of ₹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. Dividends will be taxed in the hands of receipient, hence there will be no liability in the hands of Holding Company.

2.44 During the month of March 2020, World Health Organisation declared COVID-19 to be a global pandemic. The spread of COVID-19 has impacted the normal operations of businesses in many countries, including India. The country has witnessed several disruptions in normal operations due to lock downs imposed by the Government in the form of restrictions to movement of people , transportation and supply chain along with other stringent measures to contain COVID-19 spread.

The Group is engaged in the business of manufacturing products primarily meant for pharma industry which is part of essential commodities and therefore the pandemic has so far had minimal impact on the business operations of the Group.

Management has made an assessment of the possible impact of COVID-19 on the business of the Group. The management has exercised due care in concluding on significant accounting judgements and estimates. Management noted that there is no impact on financial results on carrying value of property plant and equipment, recoverability of receivables, realisability of inventory and impairment assessment of financial and non financial assets. The management believes that the Group will be able to discharge the committed liabilities on due date. The Group will continue to monitor future material changes to economic conditions and impact thereof on its operations.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2020

(All amounts are in ₹ Lakhs, unless otherwise stated)

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 June 2020

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Sajiv K. Menon
Managing Director
DIN : 00168228

Dr. K. Cherian Varghese
Director
DIN : 01870530

Sahasranaman P.
Chief Financial Officer

G. Rajesh Kurup
Company Secretary

Main Plant - Gelatin Division

Butterfly Park - Ossein Division

Ossein Division

Factory entrance

Administrative Office

Awards & Accolades

Asia's Most Trusted Company in the Gelatin and Collagen Peptide category

NIPM Award

CSR Award in Environment & Greenery Category

CII Kaizen Award