

NITTA GELATIN INDIA LIMITED
(CIN : L24299KL1975PLC002691)



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Annual Report 2014-15

BOARD OF DIRECTORS

Chairman : **P. H. KURIAN, IAS**
Directors : **NORIMICHI SOGA**
 (DR. KEIJI SUZUKI-Alternate Director)
DR. M. BEENA, IAS
K. RAMAKRISHNAN
A. K. NAIR
K. L. KUMAR
RADHA UNNI
DR. NAOTOSHI UMENO
T. YAMAKI, Director (Technical)

Managing Director : **SAJIV K. MENON**
 Chief Financial Officer : K. MURALEEDHARAN NAIR
 Company Secretary : G. Rajesh Kurup
 Statutory Auditors : Varma & Varma
 Ernakulam
 Secretarial Auditor : Abhilash N.A.
 Bankers : State Bank of India
 Canara Bank
 State Bank of Travancore
 HDFC Bank Ltd.
 South Indian Bank Ltd.
 Legal Advisors : 1) M. Pathrose Mathai
 Senior Advocate, Ernakulam
 2) B.S. Krishnan
 Senior Advocate, Ernakulam
 Registrar &
 Share Transfer Agents : Cameo Corporate Services Ltd.
 1, Club House Road, Chennai - 600 002
 Tel : 044-28460390; Fax : 044-28460129
 E-mail : cameo@cameoindia.com
 Registered Office : Post Bag No. 4262
 54/1446, Panampilly Nagar P. O.
 Kochi - 682 036
 Factory : OSSEIN DIVISION
 Kathikudam P. O., (Via) Koratty
 Trichur District - 680308
 GELATIN DIVISION
 KINFRA Export Promotion
 Industrial Parks Ltd. P. B. No. 3109
 Kusumagiri P. O., Kakkanad, Kochi-682 030
 Website : www.gelatin.in

SUBSIDIARY COMPANIES

BAMNI PROTEINS LTD. : PO Dudholi - Bamni, Via Ballarpur 442 701, Dist. Chandrapur, Maharashtra, India.
REVA PROTEINS LTD. : Plot No. 832, GIDC Industrial Estate, Jhagadia 393 110, Dist. Bharuch, Gujarat, India.

FINANCIAL HIGHLIGHTS (10 Years)

(Rs. in lakhs)

	2005.06	2006.07	2007.08	2008.09	2009.10	2010.11	2011.12	2012.13	2013.14	2014.15
Total Income	9966.19	13766.42	14585.97	18645.02	19479.94	20638.94	24694.12	30897.61	28936.04	36115.70
Sales*	9763.86	13119.55	14638.14	18247.75	18940.60	19650.08	23810.08	29714.01	28030.33	34857.35
Exports (FOB)	6236.79	7968.00	7950.32	10141.82	9476.42	10092.68	13829.03	15620.93	16296.11	18274.81
Pre-tax Profit / (Loss)	(365.65)	721.83	728.91	2466.38	3076.36	251.45	653.48	2613.01	(731.05)	1002.72
Profit / (Loss) after tax	(379.65)	592.05	666.07	1501.94	2546.14	189.15	508.08	1558.30	(495.92)	510.20
Earning per share (Rs.)	(4.52)	7.05	7.93	17.88	30.31	2.25	6.05	17.35	(5.47)	5.62
Dividend per share (Rs.)	-	1.00	1.50	3.00	6.00	4.00	4.00	4.00	-	1.00
Reserves & Retained Earnings	5812.10	6305.88	6776.98	7984.09	9942.52	9739.87	9857.44	11070.49	10634.70	11252.07
Share Capital	840.00	840.00	840.00	840.00	840.00	840.00	840.00	840.00	907.92	907.92
Shareholders' Funds	6630.34	7110.95	7590.66	8824.09	10782.52	10579.87	10697.44	11910.49	11542.62	12159.99
Return on Equity (%)	(5.73)	8.33	8.77	17.02	23.61	1.79	4.75	13.08	(4.30)	4.20
Book Value / Share (Rs.)	78.93	84.65	90.36	105.05	128.36	125.95	127.35	141.79	127.13	133.93
Gross Block	11718.26	11632.38	12402.03	13609.38	14336.36	15674.24	16299.51	17106.60	19515.84	19996.64
Net Block	5777.68	5236.47	5384.24	5756.45	6297.74	6813.56	6867.78	6794.23	8158.60	7727.07

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

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of Nitta Gelatin India Limited will be held on **Tuesday, the 8th September, 2015 at 12.00 Noon, at Kerala Fine Arts Hall, Fine Arts Avenue, Pallimukku, Cochin 682 016** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March 2015, 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 2015, together with the Report of the Auditors thereon.

2. To declare a Dividend

3. Mr. K. Ramakrishnan, Director (DIN:00149517) is to retire by rotation at this meeting. Mr. K. Ramakrishnan does not offer for re-appointment. In that circumstance, and in view of there being no suitable replacement at this point of time, the following resolution to be passed as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 152(7)(a) of the Companies Act, 2013 and Article 113 of the Articles of Association of the Company that the vacancy arising consequent to the retirement of Mr. K. Ramakrishnan (DIN : 00149517) as Director of the Company, be not filled up for the time being, till such time there is a suitable replacement to the office.”

4. To ratify the appointment of Auditors and to fix their remuneration and in this connection to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 139(1) and Section 142 of the Companies Act, 2013 and the decision taken by the shareholders at the Annual General Meeting held on 11.07.2014, appointment of M/s Varma & Varma, Chartered Accountants, (Firm Registration No 004532S) as Statutory Auditors to hold office until conclusion of the Annual General Meeting relating to the Financial Year 2015-16, be ratified by the shareholders of the Company with respect to said tenure for the financial year running 2015-16 on a remuneration that may be fixed by the Board of Directors”.

SPECIAL BUSINESS:

Item No 5: To appoint Mr. Takeo Yamaki (DIN: 02669053) as a Whole-time Director designated as Director (Technical)

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

“RESOLVED THAT in supersession of the Resolutions passed under item no.5 at the Extraordinary General Meeting dtd 17.04.2015, for reasons outlined in the Explanatory statement forming part of this Resolution; and pursuant to provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Article 127(1) of the Articles of Association of the Company and such other approvals by Statutory and Regulatory Authorities as might be required, approval of the Company be and is hereby accorded to the appointment of Mr. Takeo Yamaki (DIN 02669053) as a Whole-time Director designated as Director (Technical), of the Company for a period of 2 (two) years with effect from 11.07.2014 on the terms and conditions including payment of remuneration in the absence of profits in the respective financial years, as minimum remuneration as herein below:-

1. Basic Pay : Rs.1,62,000/- per month
2. Designation : Director (Technical)
3. Location of work : Shall be posted to work at the following address:

Nitta Gelatin India Limited
Post Box. 4262,
54/1446, SBT Avenue
Panampilly Nagar,
Kochi - 682036,
India.
4. Period of appointment : Two years from 11.7.2014
5. Housing : He will be provided with rent free furnished accommodation by the Company. The actual rent for this accommodation shall be subject to a ceiling of 50% of Basic Pay.

For actual rent payable over and above 15% of salary as per Rule 3 (1) of the Income Tax Rules, a deduction of 15% of such salary and 10% of cost of furniture, if any, shall be made from salary.

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, internet and fax 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.

“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 regularising such appointment and remuneration”.

Item No. 6: 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 a **SPECIAL RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of 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 Clause 49 (VII) of the Listing Agreement entered into with the Stock Exchanges (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 a

special 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 M/s. Nitta Gelatin Inc., Japan and M/s. Nitta Gelatin NA Inc., USA to sell, purchase, or supply of any goods or material and to avail or render any service of any nature, whatsoever, as the Board in its discretion deem proper, subject to complying with the procedures to be fixed by the Board or its committee, upto an amount and as per the terms and conditions mentioned under item No. 6 of the explanatory statement with respect to transactions proposed, and annexed hereto with notice”.

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

By Order of the Board,

Kochi
09.05.2015

G. Rajesh Kurup
Company Secretary
M.No.A8453

Notes:

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

3. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed herewith.
 4. The Company notifies Closure of Register of Members and Share Transfer Books thereof **from 2nd September, 2015 to 8th September, 2015 (both days inclusive)** to determine the members entitled to receive dividend which will be declared at the Annual General Meeting.
 5. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
 6. Members are requested to notify the Registrar and Share Transfer Agents immediately of their Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective Depository Participant in the case of demated shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/default.
 7. The Company has appointed M/s Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agents of the Company to deal with the physical as well as electronic share registry.
 8. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demated shares.
 9. Members may kindly update their email address with the Company/ Registrar Cameo Corporate Services such that correspondence reach you without fail;
 10. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the company on request.
 11. 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.
 12. Members are requested to note that trading of company's shares through Stock Exchanges are 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.
 13. Members attending the Annual General Meeting are requested to bring with them the ATTENDANCE SLIP sent along with the Annual Report.
 14. The business need also to be transacted through electronic voting system and the company is providing facility for voting by electronic means.
 15. 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 2007-08 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 3rd August, 2015.
 16. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per Register of Members of the company will be entitled to vote.
 17. Voting through electronic means
Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and clause 35 B of the Listing Agreement with the Stock Exchanges, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting (AGM) to be held on Tuesday, the 8th September, 2015 at 12.00 Noon, at Kerala Fine Arts Hall, Fine Arts Avenue, Pallimukku, Cochin 682 016. Please note that the remote e-voting through electronic means is optional. The Company is also providing the facility of poll at the meeting by way of ballot. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide remote e- voting facilities. The remote e voting facility is available at the link <https://www.evotingindia.com> :
- The Company had fixed **Tuesday, 1st September, 2015** as the cut off date for determining voting right of shareholders entitled to participate in the remote e-voting process. In this regard,

your demat account/folio number has been enrolled by the Company for your participation in e voting on resolutions placed by the Company on e-voting system.

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

Commencement of remote e-voting	Saturday, 5th September, 2015 at 9:00 a.m
End of remote e-voting	Monday, 7th September, 2015 at 5:00 p.m

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

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the company as on 1st September, 2015.

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

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "NITTA GELATIN INDIA LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for NITTA GELATIN INDIA LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired.

The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - a) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - b) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - c) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - d) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section

or write an email to helpdesk.evoting@cdslindia.com.

- The Company has appointed MrAbhilash N A (M No.22601 and C.P No.14524) as the Scrutinizer for conducting the remote e- voting process in fair and transparent manner.
- The Scrutiniser shall immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser’s report on the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or the person authorized by him shall declare the result of the voting forthwith.
- The Results declared, along with the scrutinizer’s Report, shall be placed on the Company’s website www.gelatin.in. and on the website of CDSL immediately after the results have been declared by the Chairman. The Company shall simultaneously communicate the results to BSE Ltd., Mumbai, who shall place the same in their web site.

EXPLANATORY STATEMENT

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

Item No: 5 - Appointment of Mr. Takeo Yamaki as a Wholetime Director designated as Director (Technical)

The EGM dated 17.04.2015 had approved the appointment and remuneration of Mr. Takeo Yamaki as per part III Schedule V of the Companies Act, 2013, while the application for approval before the Ministry of Corporate Affairs (MCA) post the Board meeting dtd 11.07.2014, awaited approval.

The remuneration proposed for Mr. Takeo Yamaki and the other Wholetime Director, the Managing Director of the Company, exceeds the overall maximum remuneration specified under Section 197(1) of the Act. As the Company has inadequate profits, it warrants conformity to the provisions under Section II, Part II, Schedule V of the Act. This necessitates a disclosure of additional information as ‘General Information’ about the appointee, and

on business of the Company, meant to enable the shareholders to take an informed decision afresh, on the said proposal for appointment of the WTD.

Hence, the motion is again put up before shareholders for approval. The motion is supported by reproduction of the following statement of facts which accompanied the one passed at EGM dtd 17.04.2015:

Article 98 of the Articles of Association of the Company provides that so long as Kerala State Industrial Development Corporation Limited (KSIDC) and Nitta Gelatin Inc., (NGI) Japan hold shares in the Company (both identified as promoters), the representatives of KSIDC and NGI on the Board of your Company shall be as per Promotional Agreement between these promoters. In the absence of a specific provision for the appointment of a Wholetime Director in the existing Promotional Agreement, based on a formal request by NGI, Japan, KSIDC has agreed to NGI's proposal for appointment of a Wholetime Director, designated as Director (Technical) of the Company. NGI, Japan had vide their letter nominated Mr. Takeo Yamaki, who till recently was acting as a non-Executive Director on the Board of the Company, as a Wholetime Director to be designated as Director (Technical). On nomination by Nitta Gelatin Inc., Japan, Mr. Takeo Yamaki is continuing as a non Executive Director on our Board of Directors from 11.05.2009.

Since Mr. Takeo Yamaki is not a resident in India as envisaged under Schedule V Part I of the Companies Act, 2013 (the Act), his appointment by the Board / General Meeting as Director (Technical) has to be approved by the Central Government. The remuneration proposed for Mr. Takeo Yamaki as Director (Technical) is within the limits prescribed under Schedule V as envisaged under Section 197 (3) of the Act, so as not to necessitate an approval by the Central Government, of any such terms and conditions. Your Board of Directors at their meeting dated 11.07.2014, on detailed consideration of the recommendations of Nomination and Remuneration Committee, recommends to the General Body of shareholders, appointment of Mr. Takeo Yamaki as a Wholetime Director designated as Director (Technical) on such terms and conditions as are herein proposed and subject to such other approvals by the Statutory and Regulatory Authorities as might be applicable.

The Company is inadequate in profit as aforesaid, and the motion is proposed as a Special Resolution

with the following Additional Information as envisaged under Law.

Except Mr. Takeo Yamaki, no other Director, other key managerial personnel or relatives thereof are concerned or interested in this resolution.

I GENERAL INFORMATION

(1) Nature of Industry: The Company is a manufacturer of Ossein, Gelatin and Collagen Peptide.

(2) Date or expected date of commencement of commercial production: The Company was incorporated on 30.04.1975. Commercial production started on June 1979.

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

(4) Financial Performance based on given indicators:

(Rs.in lacs)

Particulars	2013-14	2014-15
Sales (Net)	28030	34857
Net Profit / (Loss) after tax	(496)	510

Export performance and net foreign exchange collaborations:

(Rs.in lacs)

Year	Export Sales	Forex Earnings
2013-14	16296.11	16296.11
2014-15	18274.81	18330.98

(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

- Background details:** Mr. Takeo Yamaki is a BE (Synthetic Chemistry) from Okayama University, Okayama, Japan. Mr. Takeo Yamaki had a long tenure with Nitta Gelatin Inc., Japan and till recently was working as General Manager, Gelatin Division at NGI, Japan.
- Past remuneration drawn (FY 2013-14):** 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 the Asia Pacific region. He was serving as a Director at Nitta Gelatin Inc, Japan.

4. **Job Profile and his suitability:** Mr. Takeo Yamaki as Director (Technical) looks after the Operations of the Company; specifically, technical and quality aspects with respect to Raw material, Products and Process, in addition to R&D projects. He reports to the Managing Director of the Company.
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 lower than that of similar designated/positioned Executives in the industry, in Japan.
7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:** Mr. Takeo Yamaki does not have any other direct or indirect pecuniary relationship with the Company or relationship with any managerial personnel.

III OTHER INFORMATION

1 Reasons of loss or inadequate profits:

During the financial year ended 31.03.2015, the Company has registered inadequate profit to support the salary of the managerial Personnel, for the following reasons:

- a. The main raw material for the Company, crushed animal bone has witnessed a significant increase in price during the financial year 2014-15 and the entire impact thereof could not be passed on to the customers in view of the stiff market competition and the nature of trade, prevailing in the industry.
- b. Decline in the quality of crushed bone was also a matter of serious concern which in turn had caused serious impact on the product quality and yield, eventually affecting the profitability, adversely.
- c. Prices of Dicalcium Phosphate, a major product of the Company remained at lower levels during the entire financial year as compared to the prices prevailing in 2013-14.

2 Steps taken / proposed to be taken for improvement

The Company has streamlined the operations

at the pre-processing centres for crushed bone, the major raw material with a view to improve its quality as well as to clean it adequately so that the ultimate product quality and yield gets improved. This in turn is expected to improve the sales realization of the Company's products to such levels that can more than offset the increase in crushed bone price. The said trends are visible, too.

Apart from the above, the Company is channelizing its efforts for diversification into other value-added products, besides optimizing the cost of its operations without compromising on product-quality and effective management of environment.

With the above steps together with a stringent negotiation on selling price with our customers, the profitability of the Company is expected to improve substantially.

3 Expected increase in productivity and profit in measurable terms.

The Company is expected to be consistently maintaining productivity and growth in profits.

IV DISCLOSURE

1. A draft resolution and detailed Explanatory Statement about the appointment and terms and conditions thereof of Mr. Takeo Yamaki 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. 6: 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 governs the Related Party Transactions, requires 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, if the value of the sales transactions together with the value of transactions entered so far during the year exceeds 10% of the turnover of the Company as per the previous audited financial statement

in respect of Related Party, the Company has to obtain prior approval of shareholders by way of a Special 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 Listing Agreement, Clause 49, if the transaction is material by reason of exceeding 10% of annual consolidated turnover (taken individually or together), the approval of Shareholders by way of Special Resolution has to be obtained.

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 01.10.2015 to 30.09.2016. Earlier, such transactions upto 30.09.2015 were approved at EGM dated 17.04.2015.

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 and members' approval:

Members are hereby informed that pursuant to governing provisions of law, no member of the Company shall vote on such Special 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 Special Resolution.

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

By Order of the Board,

Kochi
09.05.2015

G. Rajesh Kurup
Company Secretary

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2015 TO 30.09.2016 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	N. Soga (Dr. Keiji Suzuki - Alternate Director)	Director & Chairman, Nitta Gelatin Inc., Japan	Sale of Goods	from 01.10.2015 to 30.09.2016	22,000
	T. Yamaki	Nominee of Nitta Gelatin Inc., Japan	Availing of services	from 01.10.2015 to 30.09.2016	300
Nitta Gelatin NA Inc., USA	N. Soga (Dr. Keiji Suzuki - Alternate Director)	Director & Chairman, Nitta Gelatin Inc., Japan	Sale of Goods	from 01.10.2015 to 30.09.2016	12,000
	T. Yamaki	Nominee of Nitta Gelatin Inc., Japan	Availing of services	from 01.10.2015 to 30.09.2016	150