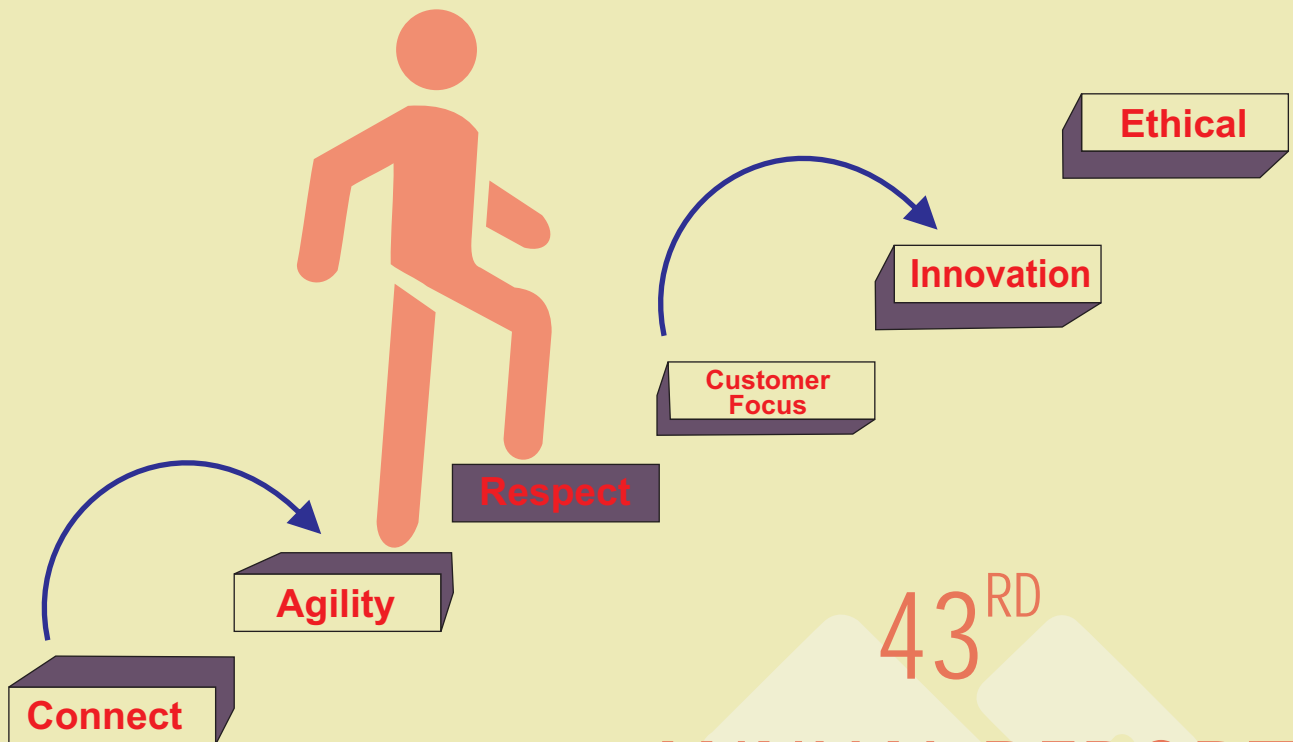




live life to the fullest



43RD
ANNUAL REPORT
2018-2019

Dear Shareholders



KOICHI OGATA
PRESIDENT



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

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

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

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

I look forward to your continued support.

Koichi-Ogata
KOICHI OGATA

Nitta Gelatin Inc.

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



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



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

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

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

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

Due to the above factors, the Pre-tax loss of the Company for the year 2018-19 was Rs. 3.75 crs. against the pre-tax profit of Rs. 10.73 crs. in 2017-18.

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

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

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

K. Ellangovan

K. ELLANGOVAN

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

NITTA GELATIN INDIA LIMITED
(CIN : L24299KL1975PLC002691)



CONTENTS

Board of Directors, etc	...	3
Financial Highlights	...	4
Notice	...	5
Directors' Report	...	18
Auditor's Report	...	67
Balance Sheet	...	78
Statement of Profit & Loss	...	79
Cash Flow Statement	...	80
Notes on Accounts	...	83
Auditor's Report on Consolidated Financial Statements	...	137
Consolidated Balance Sheet	...	145
Consolidated Statement of Profit & Loss	...	146
Consolidated Cash Flow Statement	...	147
Consolidated Notes on Accounts	...	150

Annual Report 2018-19

BOARD OF DIRECTORS

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

SUBSIDIARY COMPANY

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

Kerala floods - relief extended by the Company

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



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

Employees of NGIL supplying potable water at doorsteps



Board of Directors



Dr. K. Ellangovan IAS
Chairman



Sajiv K. Menon
Managing Director



Dr. Shinya Takahashi
Director (Technical)



Dr. Sharmila Mary Joseph IAS
Director



Koichi Ogata
Director



Hidenori Takemiya
Director



A. K. Nair
Independent Director



Radha Unni
Independent Director



Dr. K. Cherian Varghese
Independent Director



E. Nandakumar
Independent Director



Yoichiro Sakuma
Independent Director

(Rs. in lakhs)

FINANCIAL HIGHLIGHTS (10 Years)

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

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

Figures are as per INDAS compliant Financial Statements

NOTICE TO MEMBERS

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. E. Nandakumar (DIN:01802428) who was appointed as an Additional Director categorized

as an Independent Director on 29.10.2018 pursuant to provisions of Section 161(1) of The Act and the Articles of Association of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from Mr. E. Nandakumar himself signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from the date of passing of this resolution, and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.

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

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

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

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

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

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

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

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decided on all such other

acts and steps as might be required for effecting and regularizing such appointment and remuneration”.

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

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

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

1. Basic Pay

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

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

2. Housing

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

3. Personal Allowance *

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

4. Incentive *

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

5. Leave Travel Concession *

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

6. Furnishing, Gas, Electricity and Water

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

7. Medical Benefits

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

8. Personal Accident Insurance

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

9. Leave and Leave Encashment

As per rules applicable to management staff of the Company.

10. Entertainment Allowance

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

11. Provident Fund

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

12. Gratuity

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

13. Car

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

14. Telephone

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

15. Club Membership

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

16. Minimum Remuneration

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

17. Period of Appointment

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

18. Termination of Term of Office

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

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

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

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

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

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to

the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, things, deeds, matters, and thing that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

By Order of the Board,

Kochi
09.05.2019

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 27th July, 2019 to 2nd August, 2019 (both days inclusive) to determine the members, entitled to receive dividend which will be declared at the Annual General Meeting.
5. The dividend, if declared at the meeting will be paid on or after 10th August, 2019 to those Shareholders whose names appear on the Register of Members as on Record date.
6. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
7. Members are requested to notify the Registrar and Share Transfer Agent immediately of their