



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

44<sup>th</sup> ANNUAL REPORT  
2019 - 20



**Nitta Gelatin India Limited**

[www.gelatin.in](http://www.gelatin.in)



**Message from**  
**Koichi Ogata**  
President,  
Nitta Gelatin Inc.  
Osaka, Japan

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

*D*ear 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.

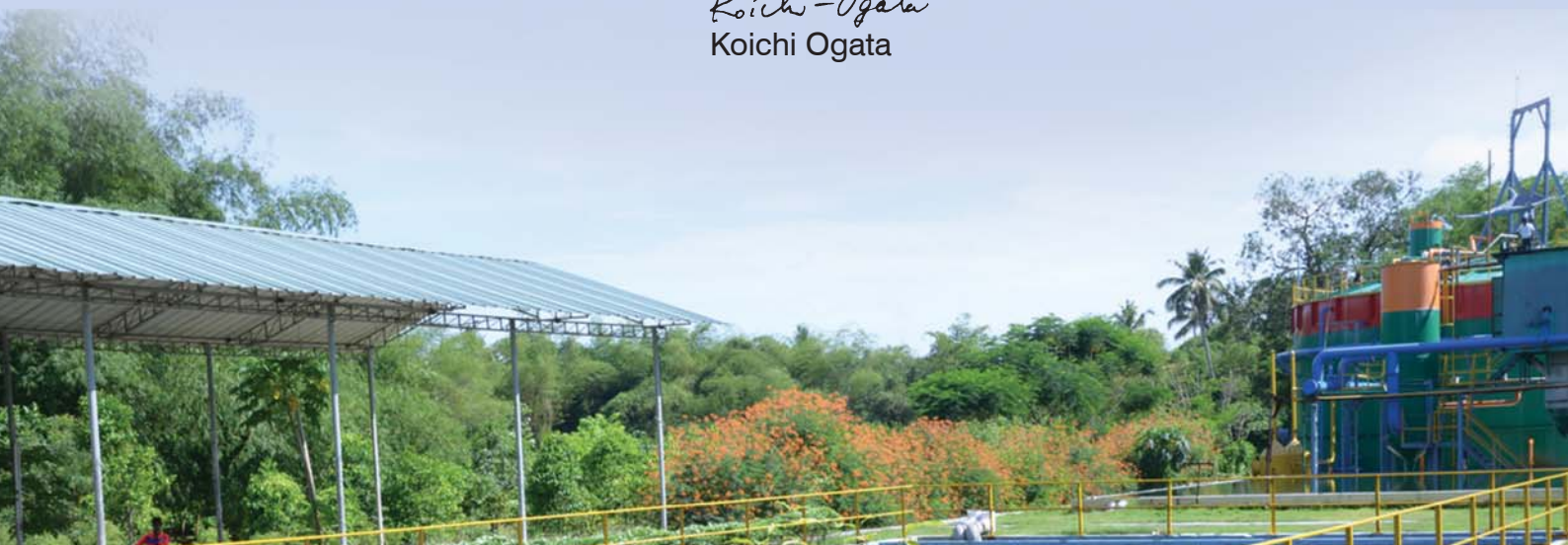
Having set in during the last quarter of the financial year, there was no significant impact of COVID-19 on operations of NGIL during the year 2019-20. Given the nature of our products, which are catering to the needs of pharmaceutical sector, I expect that NGIL will be able to sustain profitable operations 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

*D*ear 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. ELLANGO VAN 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 Chandio & 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, 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](http://www.gelatin.in)

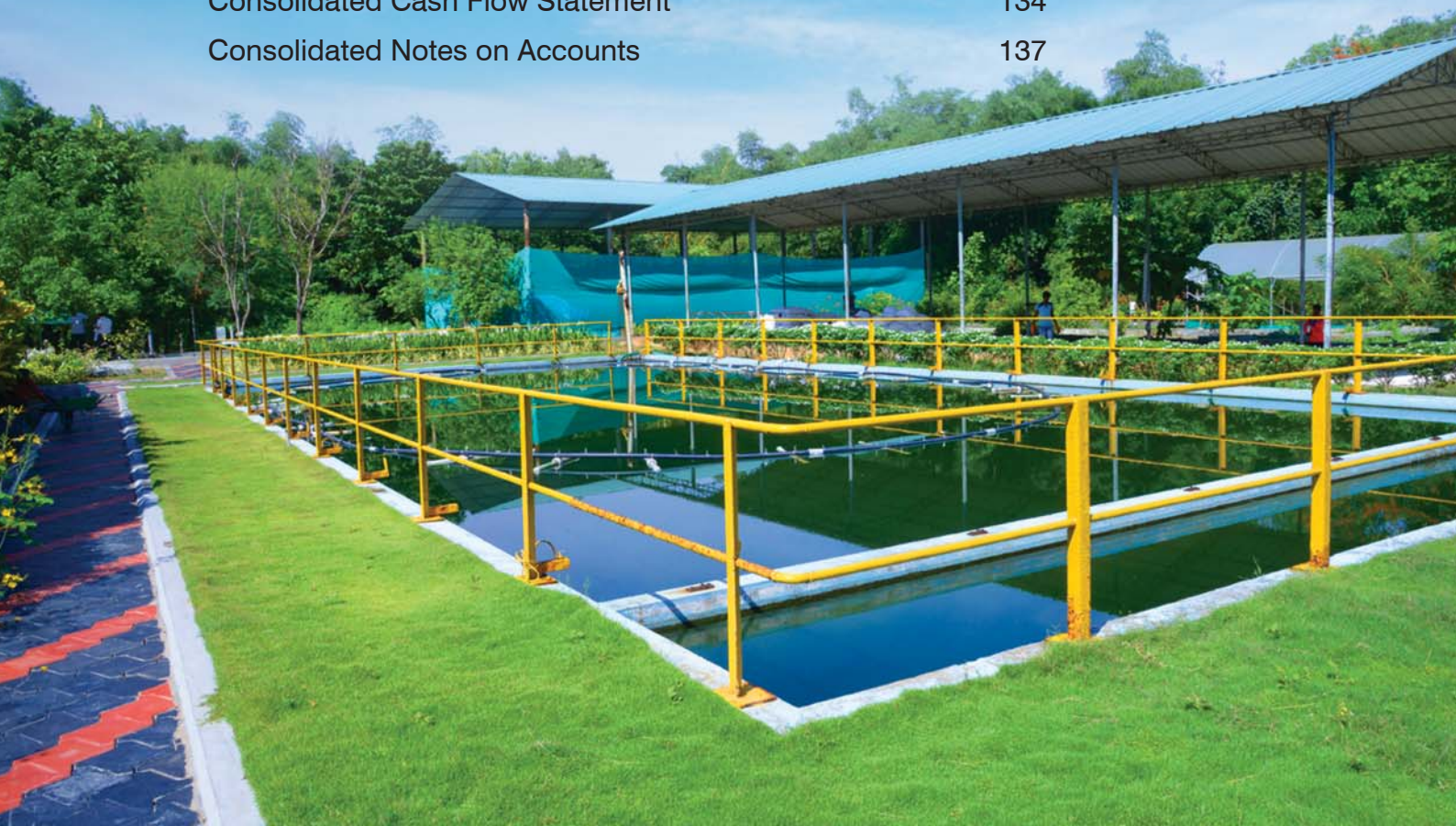
### SUBSIDIARY COMPANY

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



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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

**N**OTICE 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.10 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”.

Kochi  
08.06.2020

By Order of the Board,  
G. Rajesh Kurup  
Company Secretary  
M.No.8453