



Connect and Create

45<sup>th</sup>

ANNUAL REPORT  
2020 - 21



**Nitta Gelatin India Limited**

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



*D*ear Shareholders,

With the growing hazard world over posed by the COVID-19 Pandemic, the world order is changing to increasing emphasis on wellness and healthy living. The Nitta Gelatin Group is working on new opportunities in the health and wellness space, with its thrust on Collagen and Peptide based business. Over the years, we have established ourselves as a reliable partner for meeting the requirement of Collagen products of our customers with our emphasis on quality, investment in research and global presence. Through our constant development efforts backed with our strong focus on current and emerging customer requirements, we will build on our market presence and strive to enhance our 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.

NGIL is now a propelling force for meeting the increasing expectations of our customers during the pandemic period and after. I firmly believe that NGIL is well set to leverage its presence by harnessing the opportunities in the Collagen business with increasing focus on raw materials other than the traditional sources, including marine and aqua based products which are now in demand.

NGIL's steadfast pursuit of Business Excellence initiatives has been winning laurels from many organisations, translating into enhancement of the effectiveness and efficiency of its business especially on areas like improved cost efficiency, emphasis on safety and health of employees and TPM. NGIL is fast maturing as a dominant member in the NGI Group's corporate journey, adopting robust protocols in systems, processes and activities. The efforts of NGIL in this direction continue to be noteworthy.

I take this opportunity to reinforce the support of Nitta Gelatin Inc., Japan for the growth of Nitta Gelatin India Ltd and its Subsidiary Company and am confident that NGIL can look forward to sustained and profitable growth in the years ahead.

*Koichi-Ogata*  
Koichi Ogata



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

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



*D*ear Shareholders,

The Company has braved all odds to record an impressive performance for the financial year 2020-21, even as mankind is fighting the pandemic that has engulfed the world for more than a year now. This was marked by a significant improvement in major performance indices and is even more creditable as it has been achieved in the face of an almost 30% increase in the cost of the major raw material during the year. The Company has been able to achieve this through its relentless pursuit of a well-crafted Business Excellence Program which was set in motion a few years ago.

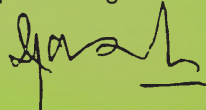
The Company has been working diligently on many strategic initiatives including cost efficiency enhancement projects, continuous improvement, Strategic Risk Management etc., which are yielding rich dividends. The CSR programs pursued by the Company have come to the aid of many underprivileged sections of the local community. The Company is actively evaluating options for business growth to ensure a strong future.

The performance of the Company's factory located in Gujarat remains a concern primarily due to frequent disruptions caused by problems encountered in the marine discharge pipeline laid by the Local Authorities. A number of corrective measures have been announced by the Pipeline Authority and it is our fervent hope that the performance of the unit would witness improvement once the disruptions reduce.

Despite the various restrictions that have been implemented by the Government of Kerala to protect the wellbeing and safety of our people, the Government has given special approval for the uninterrupted operation of the Company's factories considering the critical role of its products in health management. As always, the Government of Kerala, the Industries Department in specific and KSIDC would extend all support to help the Company to scale greater heights in the years to come. The Single Window Clearance process that the Government has adopted for expeditiously dealing with any pending issues of the Industry shall continue to significantly enhance the ease of doing business in the State.

The future holds both challenges and opportunities for the Company. The Management and the Board of Directors have been looking at various options to help steer the Company to a path of profitability and growth in the future and I am confident that the Company will be able to sustain its performance with the perseverant efforts of the Management under the guidance of the Board. The Company's products are a critical input for the Pharmaceutical Industry which continues to remain robust as it addresses the challenges posed by the COVID-19 pandemic.

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



## Message from the CHAIRMAN



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

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



M.G. Rajamanickam IAS  
Director



Radha Unni  
Independent Director



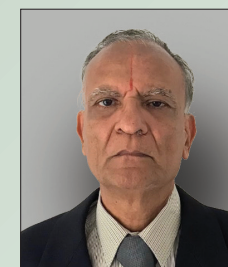
E. Nandakumar  
Independent Director



Yoichiro Sakuma  
Independent Director



Dr. Justice M. Jaichandren  
Independent Director



V. Ranganathan  
Independent Director

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## BOARD OF DIRECTORS

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Chairman	: Dr. K. ELLANGO VAN IAS
Directors	: KOICHI OGATA M.G. RAJAMANICKAM IAS RADHA UNNI E. NANDAKUMAR YOICHIRO SAKUMA Dr. JUSTICE M. JAICHANDREN V. RANGANATHAN 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, Kochi
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	: P.B. No. 4262, 56/715, Panampilly Nagar P. O. Kochi - 682 036
Factory	: OSSEIN DIVISION Kathikudam P. O., (Via) Koratty, Trichur District - 680 308 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 - 393 110

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

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### SUBSIDIARY COMPANY

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

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# Financial Highlights (10 Years)

(₹ in Lakhs)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#
Total Income	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	35,891.67
Sales*	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	34,578.78
Exports (FOB)	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	18,812.50
Pre-tax Profit/(Loss)	653.48	2613.01	(731.05)	1002.72	2643.13	3183.26	1073.68	(366.53)	687.93	2433.65
Profit/(Loss) after tax	508.08	1558.3	(495.92)	510.2	1668.24	2048.67	377.52	(263.66)	789.54	1790.44
Total Comprehensive Income/(Loss)	-	-	-	-	-	2109.08	305.71	(151.18)	201.31	2219.95
Earning per share (₹)	6.05	17.35	-5.47	5.62	17.33	23.23	4.16	(2.90)	8.7	19.72
Dividend per share (₹)	4	4	0	1	2.5	2.5	2.5	1.5	2.5	3
Reserves, Retained Earnings and other Equity	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	15,402.36
Share Capital	840	840	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92
Shareholder's Funds	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	16,310.28
Return on Equity (%)	4.75	13.08	(4.30)	4.2	11.16	14.72	2.57	(1.85)	5.51	10.98
Book Value/Share (₹)	127.35	141.79	127.13	133.93	147.34	153.29	161.68	157	157.69	179.64
Gross Block	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	17,656.50
Net Block	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	10,958.26

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

#Figures are as per Ind AS compliant Financial Statements.

## NOTICE

**NOTICE IS HEREBY GIVEN** that the 45th Annual General Meeting of Nitta Gelatin India Limited will be held on Tuesday, the 03rd Day of August, 2021 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 2021, 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 2021, together with the Report of the Auditors thereon.
2. To declare Dividend on Optionally Convertible Preference Shares – 9,29,412 Shares of ₹ 170/- each @ 5.4029% p.a. absorbing an amount of ₹ 85,36,584.00
3. To declare Dividend on Redeemable Preference Shares – 44,44,444 Shares of ₹ 10/- each @ 7.65063% p.a. absorbing an amount of Rs. 34,00,280.00.
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 MR. V. RANGANATHAN (DIN: 00550121) - INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **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, Mr. V. Ranganathan (DIN: 00550121) who was appointed as an Additional Director qualifying as an Independent Director on 27.04.2021 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 under Section 160 of the Act 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 an **ORDINARY 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 Wholetime Director designated as Director (Technical) of the Company for a period of two years with effect from 07.05.2021 on the following terms and conditions:

1.	Basic Pay	:	₹ 1,35,000/- per month
2.	Designation	:	Director (Technical)
3.	Location of work	:	He shall be posted to work at the following address:  Nitta Gelatin India Limited, Post Box. 4262, 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036, India
4.	Period of appointment	:	Two years from 07.05.2021
5.	Housing	:	House Rent Allowance @ 50% of salary as above per month.
6.	Medical Benefits	:	Reimbursement of actual medical expenses incurred for self and family subject to a yearly ceiling of ₹ 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 ₹ 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.	Termination of Term of Office	:	The Company shall have the right to terminate the term of office of the Director (Technical) at any time by giving notice of not less than three months in writing or three months' salary and allowances in lieu thereof. Director (Technical) 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.

#### ITEM NO. 8- APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTIONS BY THE COMPANY

To consider and, if thought fit, to pass with or without modification(s) the following Resolution 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, 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.8 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, 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  
07.05.2021

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") vide its Circular No. 2/2021 dated 13.01.2021 which is sequel to their earlier Circular dated 05.05.2020 read with Circulars dated 08.04.2020 and 13.04.2020 and (collectively referred to as "MCA Circulars") permits 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 alongwith SEBI Circular No. 11 dated 15.01.2021 which again is sequel to their earlier Circular No. 79 dated 12.05.2020, the AGM of the Company shall be held through Video Conferencing (VC) and thus the Members can attend and participate in the AGM through VC/OAVM.
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 aforesaid 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 and SEBI Circulars, Annual Report 2020-21 which includes the Notice of the AGM, Board's Report, Financial Statements and other documents, is 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 2020-21 will also be available on the Company's website [www.gelatin.in](http://www.gelatin.in), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://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 atleast 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 Company notifies Closure of Register of Members and Share Transfer Books thereof from 28th July, 2021 to 03rd August, 2021 (both days inclusive) to determine the Members entitled to receive dividend as may be declared at the Annual General Meeting.
8. The dividend, if declared at the meeting will be paid by 20th August, 2021 to those Shareholders whose names appear on the Register of Members as on closure, subject to deduction of tax at source.
9. Due to the prevailing COVID-19 situation, the Company perceives disruption of postal services - partially, if not fully - which might mean that dividend remittance resorted through the electronic mode would leave behind for remittance, dividend pertaining to those of the Shareholders who hold shares in physical mode and not having updated the bank mandate, which upon normalization shall inevitably be dispatched to such remaining Shareholders.
10. 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.
11. Pursuant to Finance Act, 2020 and subsequent provisions, dividend income is 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, enjoying exemption under one or the other provisions of the Income Tax Act 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 24, 2021. 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 24, 2021.

Shareholders desirous of registering or 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 uploading the 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 occurrence of any technical glitches.

12. 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). Since the Company had not declared any dividend payable on shares during the year 2013-14, there need not be any transfer as above into IEPF during the year.
13. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
14. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address i.e. CAMEO Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-600 002 in the case of physical