



Nitta Gelatin India Limited

(Formerly Kerala Chemicals and Proteins Limited)

Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

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Website : www.gelatin.in

Ref: 38/600/253

May 4, 2018

The Secretary
BSE Ltd.,

Phiroze Jeejeebhoy Towers, **Fax No. 022 - 22723121 / 22723719**
25th Floor, Dalal Street,
Mumbai-400 001

Dear Sir,

Sub:- **Audited Financial Results of the Company
for the quarter and year ended 31.03.2018**

Ref:- Regulation 30 and Regulation 33 r/w Schedule III A 4(h)

The Board of Directors of the Company today (04.05.2018) met and approved among other things, the audited financial results for the quarter and year ended 31st March, 2018 which, alongwith Statement of Assets and Liabilities, segment wise Revenue, Results & Capital Employed for the quarter and year ended 31.03.2018 and the Auditor's Report thereon, are filed for information of shareholders / investing public.

The Board had also recommended a dividend of Rs. 2.5 per Equity Share of face value of Rs. 10/- for declaration at the forthcoming Annual General Meeting of the Company, which shall thereafter be paid within the statutory time limit thereof.

The meeting ended at 4.00 p.m.

Thanking you,

Yours faithfully,
For NITTA GELATIN INDIA LIMITED


G.R. KURUP,
COMPANY SECRETARY.

Encl: as above.

Total No. of pages including this -



(₹ in lakhs, except per share data)

| Sl No | Particulars | Statement of standalone audited financial results for the quarter and year ended 31 March 2018 and consolidated audited financial results for the year ended 31 March 2018 | | | | | |
|-------|---|--|------------------------------|--------------|---------------|---------------|---------------|
| | | Standalone | | | Consolidated | | |
| | | Quarter ended | | Year ended | Year ended | | Year ended |
| | | 31-Mar-18 | 31-Dec-17 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 |
| | Unaudited (Refer Note 12) | Unaudited | Unaudited (Refer Note 12) | Audited | Audited | Audited | Audited |
| 1 | Income from operations | | | | | | |
| | (a) Revenue from operations | 8,864 | 9,492 | 7,839 | 32,644 | 34,080 | 34,353 |
| | (b) Other income | 92 | 218 | 498 | 437 | 936 | 400 |
| | Total Income | 8,956 | 9,710 | 8,337 | 33,081 | 35,016 | 34,753 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 4,188 | 4,784 | 3,408 | 18,112 | 16,809 | 18,505 |
| | (b) Purchases of stock-in-trade | - | - | - | 117 | - | 117 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 185 | 508 | 1,061 | (1,479) | 1,364 | (1,082) |
| | (d) Excise duty on sales (Refer Note 5) | - | - | 291 | 197 | 1,165 | 197 |
| | (e) Employee benefits expense | 744 | 788 | 600 | 3,023 | 2,660 | 3,721 |
| | (f) Finance Costs | 24 | 116 | 15 | 366 | 363 | 605 |
| | (g) Depreciation and amortisation expense | 345 | 294 | 273 | 1,191 | 1,048 | 1,503 |
| | (h) Other expenses | 2,662 | 2,307 | 2,039 | 9,320 | 8,424 | 9,991 |
| | Total Expenses | 8,148 | 8,797 | 7,687 | 30,847 | 31,833 | 33,557 |
| 3 | Profit from operations before exceptional items (1-2) | 808 | 913 | 650 | 2,234 | 3,183 | 1,196 |
| 4 | Exceptional items | - | - | - | - | - | - |
| 5 | Profit from ordinary activities before tax (3 - 4) | 808 | 913 | 650 | 2,234 | 3,183 | 1,196 |
| 6 | Tax expense | | | | | | |
| | -Current tax | 331 | 415 | 9 | 1,095 | 891 | 1,098 |
| | -Deferred tax | (71) | (80) | 240 | (318) | 243 | (289) |
| 7 | Profit from ordinary activities after tax (5 - 6) | 548 | 578 | 401 | 1,457 | 2,049 | 387 |
| 8 | Extraordinary items | - | - | - | - | - | - |
| 9 | Profit for the period/ year (7 - 8) | 548 | 578 | 401 | 1,457 | 2,049 | 387 |
| 10 | Other comprehensive income/ (loss) (net of tax expense) | (131) | 23 | 58 | (71) | 60 | (77) |
| 11 | Total Comprehensive income/ (Loss) for the period (9+10) | 417 | 601 | 459 | 1,386 | 2,109 | 310 |
| 12 | Share of Profit/ (loss) of associates | - | - | - | - | - | - |
| 13 | Non controlling interest | - | - | - | - | - | (292) |
| 14 | Net Profit/(loss) after taxes, minority interest and share of profit / (loss) of associates (11+/-12+/-13) | 417 | 601 | 459 | 1,386 | 2,109 | 602 |
| 15 | Paid-up equity share capital (Face value ₹ 10/share) | 908 | 908 | 908 | 908 | 908 | 908 |
| 16 | Earnings/ (loss) per Share | | | | | | |
| | a) Basic: (₹) | 4.59 | 6.62 | 5.06 | 15.27 | 23.23 | 6.63 |
| | b) Diluted: (₹) | 4.59 | 6.62 | 5.06 | 15.27 | 23.23 | 6.63 |
| | | not annualised | | | | | |

- The Company has adopted, Indian Accounting Standards prescribed under Section 133 of The Companies Act 2013 (Ind AS) from 01 April 2017 and accordingly these financial results and all the periods presented have been prepared in accordance with the recognition and measurement principles read with relevant rules issued thereunder and the other accounting principles generally accepted in India and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) regulation 2015 and amendment thereon.
- The financial results for the quarter ended 31 March 2017 and the year to date results for the period 1 April 2016 to 31 March 2017 were reviewed by the predecessor auditors and differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by the Statutory Auditors.
- The reconciliation of net profit as previously reported (referred to as 'previous GAAP') and the total comprehensive income/ (loss) as per Ind AS for the quarter and year ended 31 March 2017 is as per table below:

| Particulars | (₹ in lakhs) | | |
|--|------------------------------|---------------------------|---------------------------|
| | Standalone | | Consolidated |
| | Quarter ended 31 Mar 2017 | Year ended 31 Mar 2017 | Year ended 31 Mar 2017 |
| | Unaudited (Refer Note 12) | Audited | Audited |
| Net profit as per previous GAAP | 148 | 1,751 | 1041 |
| Adjustments | | | |
| (i) Measurement of financial assets and liabilities at amortised cost | 50 | (71) | (100) |
| (ii) Measurement of forward contracts | 147 | 224 | 224 |
| (iii) Measurement of investments at fair value through profit and loss | 18 | 70 | - |
| (iv) Guarantee commission on corporate guarantees issued to subsidiaries | 4 | 19 | - |
| (v) Expected credit loss on trade receivables | (1) | (5) | (5) |
| (vi) Gain/ loss on loans hitherto erroneously taken to reserves previously now rectified | 135 | 184 | 184 |
| (vii) Remeasurement losses on defined benefit obligations | (13) | (13) | (9) |
| (viii) Deferred tax impact on above Ind AS adjustments | (87) | (110) | (111) |
| Profit after tax as reported under Ind AS | 401 | 2,049 | 1,224 |
| Other comprehensive income (net of tax) | 58 | 60 | 57 |
| Total comprehensive income as reported under Ind AS | 459 | 2,109 | 1,281 |



4 Reconciliation of Equity as previously reported on account of transition from the previous Indian GAAP to IND AS :

| Particulars | (₹ in lakhs) | |
|---|---------------------|---------------------|
| | Standalone | Consolidated |
| | As at 31 March 2017 | As at 31 March 2017 |
| Equity as per Previous GAAP | 17,190 | 14,921 |
| | 17,190 | 14,921 |
| Adjustments : | | |
| (i) Error in non-recognition of impairment of investment in subsidiary, now accounted | (1,704) | - |
| (ii) Reclassification of preference shares issued, from equity | (1,200) | (1,200) |
| (iii) Fair valuation of external commercial borrowing from related party | 170 | 334 |
| (iv) Fair valuation of investment in preference shares in subsidiary | (285) | - |
| (v) Fair valuation of investments carried through OCI | 10 | 10 |
| (vi) Expected credit loss assessment for trade receivables | (17) | (17) |
| (vii) Accounting for financial guarantee to subsidiary | 160 | - |
| (viii) Deferred tax impact on the above adjustments | (406) | (406) |
| Equity as per INDAS | 13,918 | 13,642 |

5 According to the requirements of SEBI (Listing and Disclosure Requirements) Regulations 2015, revenue for three months and year ended March 31, 2017 and year ended March 31, 2018, are reported inclusive of excise duty. The Government of India has implemented Goods & Service Tax (GST) from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per IND AS 18, the revenue for the three months ended December 31, 2017 and three months and year ended March 31, 2018, are reported net of GST.

6. STATEMENT OF ASSETS AND LIABILITIES - STANDALONE AND CONSOLIDATED

| Particulars | (₹ in lakhs) | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Standalone | | Consolidated | |
| | As at 31.03.2018 Audited | As at 31.03.2017 Audited | As at 31.03.2018 Audited | As at 31.03.2017 Audited |
| A ASSETS | | | | |
| 1 Non-current Assets | | | | |
| (a) Property, Plant and Equipment | 7,883 | 7,638 | 11,286 | 10,990 |
| (b) Other Intangible Assets | 35 | 15 | 52 | 38 |
| (c) Intangible assets under development | - | - | 3 | - |
| (d) Capital Work-in-progress | 1,004 | 1,095 | 1,025 | 1,282 |
| (e) Financial Assets | | | | |
| (i) Investments | 2,624 | 2,680 | 89 | 90 |
| (ii) Loans | 795 | 428 | 6 | 4 |
| (iii) Other Financial Assets | 146 | 152 | 352 | 342 |
| (f) Non-Current tax assets | 544 | 462 | 563 | 497 |
| (g) Other non current assets | 553 | 688 | 1,129 | 1,269 |
| Total - Non-current assets | 13,584 | 13,158 | 14,505 | 14,512 |
| 2 Current Assets | | | | |
| (a) Inventories | 6,769 | 6,329 | 7,286 | 7,386 |
| (b) Financial Assets | | | | |
| (i) Trade Receivables | 6,072 | 5,230 | 6,147 | 5,243 |
| (ii) Cash and Cash Equivalents | 180 | 310 | 318 | 367 |
| (iii) Other Bank Balances | 104 | 675 | 420 | 1,141 |
| (iv) Loans | 3 | 2 | 2 | 2 |
| (v) Other Financial Assets | 428 | 920 | 437 | 931 |
| (c) Other Current Assets | 370 | 361 | 429 | 379 |
| (d) Assets held for sale | - | 123 | - | 123 |
| Total - Current assets | 13,926 | 13,950 | 15,039 | 15,572 |
| TOTAL ASSETS | 27,510 | 27,108 | 29,544 | 30,084 |
| B EQUITY AND LIABILITIES | | | | |
| 1 Equity | | | | |
| (a) Equity Share Capital | 908 | 908 | 908 | 908 |
| (b) Other Equity | 14,021 | 13,010 | 12,672 | 12,447 |
| (c) Non-controlling interest | - | - | (5) | 287 |
| Total - Total Equity | 14,929 | 13,918 | 13,575 | 13,642 |
| 2 Non-current Liabilities | | | | |
| (a) Financial Liabilities - Borrowings | 1,820 | 1,998 | 3,426 | 3,977 |
| (b) Deferred Tax Liabilities (net) | 905 | 1,260 | 860 | 1,188 |
| (c) Long-term Provisions | 274 | 230 | 317 | 266 |
| (d) Other non-current liabilities | 6 | 11 | - | - |
| Total - Non-current liabilities | 3,005 | 3,499 | 4,603 | 5,431 |
| 3 Current Liabilities | | | | |
| (a) Financial Liabilities - | | | | |
| (i) Borrowings | 5,458 | 6,126 | 5,932 | 6,369 |
| (ii) Trade Payables | 2,393 | 1,820 | 2,744 | 2,448 |
| (iii) Other Financial Liabilities | 300 | 374 | 733 | 680 |
| (b) Provisions | 285 | 247 | 293 | 258 |
| (c) Current tax liability | 1,023 | 1,024 | 1,024 | 1,040 |
| (d) Other Current Liabilities | 117 | 100 | 640 | 216 |
| Total - Current liabilities | 9,576 | 9,691 | 11,366 | 11,011 |
| TOTAL - EQUITY AND LIABILITIES | 27,510 | 27,108 | 29,544 | 30,084 |



7 Segment-wise revenue, results and capital employed

The Company is engaged in the manufacture and sale of products which form part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Additional country-wise disclosures based on the geographic location of the customers are given below-

(₹ In Lakhs)

| Sl No | Particulars | Standalone | | | | | Consolidated | |
|-------|--|------------------------------|-----------|------------------------------|------------|-----------|--------------|-----------|
| | | Quarter ended | | | Year ended | | Year ended | |
| | | 31-Mar-18 | 31-Dec-17 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 |
| | | Unaudited (Refer Note 12) | Unaudited | Unaudited (Refer Note 12) | Audited | Audited | Audited | Audited |
| 1 | Revenue | | | | | | | |
| | (a)Export Sales | | | | | | | |
| | (i) Japan | 1,804 | 2,448 | 1,384 | 6,992 | 5,545 | 8,174 | 6,945 |
| | (ii) United States of America | 1,199 | 1,014 | 1,065 | 3,586 | 4,901 | 3,586 | 4,901 |
| | (iii) Indonesia | 860 | 666 | 814 | 3,116 | 3,551 | 3,116 | 3,551 |
| | (iv) Rest of the world | 245 | 576 | 769 | 1,550 | 2,683 | 1,550 | 2,683 |
| | Export Incentive | 99 | 110 | 100 | 397 | 613 | 403 | 627 |
| | | 4,207 | 4,814 | 4,132 | 15,641 | 17,293 | 16,829 | 18,707 |
| | (b)Domestic Sales/ Other operating income | 4,657 | 4,678 | 3,707 | 17,003 | 16,787 | 17,524 | 16,865 |
| | Total | 8,864 | 9,492 | 7,839 | 32,644 | 34,080 | 34,353 | 35,572 |
| | Less: Inter Segment Revenue | - | - | - | - | - | - | - |
| | Net sales/Income from operations | 8,864 | 9,492 | 7,839 | 32,644 | 34,080 | 34,353 | 35,572 |
| 2 | Segment Results (Profit(+)/Loss(-)) | | | | | | | |
| | before tax and interest from each segment | | | | | | | |
| | (a)Export Sales | 705 | 1,098 | 1,422 | 3,051 | 4,671 | 3,483 | 4,898 |
| | (b)Domestic Sales | 452 | 464 | 360 | 1,752 | 1,482 | 2,288 | 1,804 |
| | Total | 1,157 | 1,562 | 1,782 | 4,803 | 6,153 | 5,771 | 6,702 |
| | Less: (i) Interest | 24 | 116 | 15 | 366 | 363 | 605 | 636 |
| | (ii) Other Un-allocable expenditure net of Un-allocable income | 325 | 533 | 1,117 | 2,203 | 2,607 | 3,970 | 3,668 |
| | Total Profit before Tax | 808 | 913 | 650 | 2,234 | 3,183 | 1,196 | 2,398 |

- 8 i) Capital employed, as also assets and liabilities of the Company are not capable of being stated segment wise since all the assets and liabilities are held under composite undertaking for both the geographic segments.
ii) Results are not capable of being stated by specific geography and hence have not been presented.
- 9 The Board of Directors has proposed a dividend of Rs 9.18 per preference share (@ 5.4029%) on the 929,412 Optionally Convertible (non cumulative) preference shares of face value of Rs 170/- each, and a dividend of Rs. 2.5 /- per equity share (25% of the face value of Rs. 10/- per share) in their meeting held today which is subject to approval by the shareholders in the ensuing Annual General Meeting.
- 10 During the quarter ended 31st December 2017, based on an independent valuation, the Company has made a provision of Rs. 1704 lakhs as impairment in the carrying value of its investment in Reva Proteins Limited. In accordance with the provisions of IND AS 101, First time adoption of Indian Accounting Standards, the same has been adjusted with the opening reserves as at 1 April 2016.
- The Board of Directors has approved a scheme of merger of its subsidiary company – Reva Proteins Limited with the company, in their meeting held on 03rd February 2018 in view of the operational synergies emerging out of the said restructuring. The scheme provides for issuance of 44,44,444 Nos of Redeemable Preference shares of Rs. 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in Reva Proteins Limited. The merger is proposed to be undertaken through a Scheme of amalgamation under Section 230-232 of the Companies Act, 2013 to be filed with the National Company Law Tribunal with the appointed date 1st April 2017 or as may be directed by the National Company Law Tribunal and is subject to approval by the shareholders, lenders, creditors & other applicable regulatory approvals in this regard. The Company has filed an application before the Bombay Stock Exchange and is awaiting approval from them for the said merger. Further, the operations of the subsidiary have been consistent with the projections of the management and in view of the above and the cash flows that will be generated in the near future, no provision has been considered necessary for the remaining value of investments amounting to Rs.1318 Lakhs and loans and advances amounting to Rs. 789 Lakhs due from the said subsidiary.
- 11 In view of the existence of certain indicators of impairment in Reva Proteins Limited, a subsidiary company, as stated in Note 10 above, the management of the subsidiary company has conducted an impairment testing on the carrying value of fixed assets as at Balance Sheet date in the manner prescribed in INDAS 36 - Impairment of Assets and having regard to the improved cash flows expected in the future and other positive factors as stated above, the management of the subsidiary company has assessed that there is no impairment in the value of Fixed Assets of the subsidiary company to be recognised at this stage.
- 12 Figures for the quarter ended 31 March 2018 and 31 March 2017 represent the balancing figures between the audited figures for the full financial year and published year to date figures up to third quarter of the respective financial years.
- 13 The above results, have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 4th May 2018.
- 14 Prior period comparatives have been regrouped/reclassified wherever necessary to conform to the presentation in the current period/years and are compliant with Ind AS. The management has exercised necessary due diligence to ensure that the financial results give a true and fair view.

For Nitta Gelatin India Limited

Sajiv K. Memon
Managing Director
DIN : 00168228

Kochi
May 04, 2018



Walker Chandiosk & Co LLP

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Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Nitta Gelatin India Limited

1. We have audited the standalone financial results of Nitta Gelatin India Limited ('the Company') for the year ended 31 March 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 11 to the standalone financial results regarding the figures for the quarter ended 31 March 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2018 and our review of standalone financial results for the nine months period ended 31 December 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Walker Chandiok & Co LLP

3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
 - (ii) give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018.
4. We draw attention to note 10 to the financial results, regarding the Company's remaining non-current equity investment in subsidiary and advances given aggregating to INR 1,318 lacs and INR 789 lacs respectively as at 31 March 2018, which are considered as fully recoverable by the management, based on the projected operations and future expected cash flows of the subsidiary company, which are dependent on certain assumptions and estimates considered by the management, the appropriateness of which is dependent upon the realisation of the related business plans. Our opinion is not modified in respect of this matter.
5. The Company had prepared separate standalone financial results for the year ended 31 March 2017, based on the standalone financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards ("AS") prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and standalone financial results for the nine months period ended 31 December 2016 prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015, and other accounting principles generally accepted in India, which were audited by the predecessor auditor whose report dated 9 May 2017 expressed an unmodified opinion. These standalone financial results for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Aashresh Arjun Singh
per **Aashresh Arjun Singh**

Partner

Membership No. 210122



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4 May 2018