



# 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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16.07.2019

The BSE Limited  
Regd. Office, Floor 25,  
P J Towers, Dalal Street,  
**Mumbai- 400 001**

Dear Sir/ Madam,

**Sub:** Submission of Related Party Transactions on a consolidated basis

**Ref:** SEBI LODR amended Regulations w.e.f the half year ending March 31, 2019

In pursuance of prescription of Sub Regulation 9 of Regulation 23 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015, , we hereby submit the details of related party transactions on a consolidated basis.

Kindly take this on record.

Thanking You,  
Yours Faithfully,

G. Rajesh Kurup  
Company Secretary



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

### 2.28 Related Party Transactions

#### A. Related parties and nature of relationship

- |      |                                       |   |
|------|---------------------------------------|---|
| i.   | Nitta Gelatin Inc.                    | Enterprise having substantial interest in the Holding Company |
| ii.  | Nitta Gelatin NA Inc.                 | Subsidiary of Nitta Gelatin Inc                               |
| iii. | Nitta Gelatin Canada Inc.             | Subsidiary of Nitta Gelatin Inc                               |
| iv.  | K. T. Chandy Seiichi Nitta Foundation | Trust controlled by the Holding Company                       |
| v.   | Key Managerial Personnel              |   |

##### 1. In case of Holding Company

- |                      |  |
|----------------------|--|
| Mr. Sajiv K. Menon   | Managing Director                      |
| Dr. Shinya Takahashi | Whole-time Director (w.e.f 17.04.2017) |

##### 2. In case of Subsidiaries

- |               |   |
|---------------|---|
| Mr M.A.Xavier | Managing Director - Bamni Proteins Limited (upto 01.02.2018)  |
| Mr E.Kesavan  | Managing Director - Bamni Proteins Limited (w.e.f 02.02.2018) |

##### 3. Non-Executive Directors:

- Dr. K. Ellangovan  
Mr. Paul Antony  
Dr. M. Beena  
Mr. Sanjay M. Kaul  
Mr. M T Binil Kumar

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/ Trust controlled by the Company		Key Management Personnel		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Sale and Income</b>						
1 Sale of Goods						
Nitta Gelatin Inc	81,47,73,257	118,65,09,905	-	-	81,47,73,257	1,18,65,09,905
Nitta Gelatin NA Inc	46,84,20,790	37,29,00,553			46,84,20,790	37,29,00,553
2 GSP duty refund received on exports to related party refunded by them						
Nitta Gelatin Inc	1,05,74,209	18,87,568	-	-	1,05,74,209	18,87,568
<b>Purchase and Expenses</b>						
1 Commission expense:						
Nitta Gelatin Inc						
- For Sale of Gelatin	8,40,641	5,25,527	-	-	8,40,641	5,25,527
- For Sale of Peptide	99,470	2,54,125	-	-	99,470	2,54,125
2 Rebate/ Discount expense:						
Nitta Gelatin Inc	9,53,327	45,94,988	-	-	9,53,327	45,94,988
Nitta Gelatin NA Inc	63,189	4,01,939	-	-	63,189	4,01,939
3 Technical Assistance Fee:						
Nitta Gelatin Inc	41,03,895	31,70,200	-	-	41,03,895	31,70,200
4 Interest expense on External Commercial Borrowings						
Nitta Gelatin Inc	1,16,94,634	1,01,60,278	-	-	1,16,94,634	1,01,60,278
5 Reimbursement of Expenses (Net):						

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in ₹, unless otherwise stated)

Nitta Gelatin Inc	9,29,253	3,38,761	-	-	9,29,253	3,38,761
6 Donations/Corporate Social Responsibility contribution						
K.T.Chandy Seiichi Nitta Foundation (See Note 3.29.3)	44,26,431	44,28,758	-	-	44,26,431	44,28,758
7 Remuneration*						
Mr. Sajiv K. Menon	-	-	1,54,74,636	1,49,77,536	1,54,74,636	1,49,77,536
Dr. Shinya Takahashi	-	-	24,41,627	23,35,825	24,41,627	23,35,825
Mr. E.Kesavan	-	-	32,53,084	5,27,549	32,53,084	5,27,549
Mr. M A Xavier	-	-	-	26,96,888	-	26,96,888
8 Sitting fees						
Dr. K. Ellangovan	-	-	36,000	-	36,000	-
Mr. Paul Antony	-	-	-	54,000	-	54,000
Dr. M. Beena	-	-	36,000	36,000	36,000	36,000
Mr. Sanjay M. Kaul	-	-	18,000	-	18,000	-
Mr. M T Binil Kumar	-	-	40,000	30,000	40,000	30,000
<b>Dividend paid on equity shares</b>						
Nitta Gelatin Inc	97,50,750	97,50,750	-	-	97,50,750	97,50,750
<b>Dividend on preference shares</b>						
Nitta Gelatin Inc	85,36,584	85,36,584	0	0	85,36,584	85,36,584

- a) Does not include gratuity and compensated absences as these are provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be determined.
- b) During the current year, the managerial remuneration paid to Directors is in excess of the limits laid down under section 197 of the Companies Act, 2013 by Rs. 60,99,436. The Company is in the process of obtaining approval from its shareholders as per the provisions of the Companies Act, 2013 for such excess remuneration amount.

### C. Balance Outstanding as at year end:

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/Trust controlled by the Company			Total		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
<b>Receivables</b>						
- Nitta Gelatin Inc	22,02,99,945	23,81,60,613	15,18,81,926	22,02,99,945	23,81,60,613	15,18,81,926
- Nitta Gelatin NA Inc	15,14,98,790	12,94,85,555	13,03,25,559	15,14,98,790	12,94,85,555	13,03,25,559
<b>Payables</b>						
- Nitta Gelatin Inc						
Term loan	12,85,20,380	12,67,82,374	12,15,39,820	12,85,20,380	12,67,82,374	12,15,39,820
Other payables	76,30,903	46,63,318	84,39,297	76,30,903	46,63,318	84,39,297
Trade Advance	8,95,88,081	4,93,62,233	1,14,03,408	8,95,88,081	4,93,62,233	1,14,03,408
- Nitta Gelatin NA Inc						
Other payables	9,55,113	25,82,500	4,57,034	9,55,113	25,82,500	4,57,034

### D. Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Group is required to use certain specified methods in assessing that the transactions with the related parties, are carried out at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arm's length prices. The Group is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2019. In opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.