



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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CIN : L24299KL1975PLC002691

Website : www.gelatin.in

May 8, 2023

BSE Ltd.,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai- 400 001

Dear Sir,

SCRIP CODE: 506532

Sub: Audited Financial Results of the Company for the year ended 31.03.2023 and Recommendation for payment of Dividend

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

The Board of Directors of the Company today (08.05.2023) met and approved among other things, the audited Standalone and Consolidated financial results for the quarter and year ended 31st March, 2023, which alongwith the Auditor's Report thereon, are filed for information of shareholders/ investing public.

We declare that as per Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No: CIR/CFD/CMD/56/2016 dated May 27, 2016, the Statutory Auditors of the Company viz M/s Walker Chandiook & Co, LLP, Chartered Accountants (Firm Registration No: 001076N/N500013) has expressed an unmodified opinion on the Audit Report for the quarter and financial year ended 31st March, 2023.

The Board had also recommended a dividend of Rs.7.5/- per Equity Share of face value of Rs.10/- for declaration at the forthcoming Annual General Meeting of the Company, which if declared shall thereafter be paid within the statutory time limit thereof.

The meeting commenced at 10.30 A.M and concluded at 5.45 P.M.

We request that the above information may kindly be taken on records.

Thanking you,
Yours faithfully,

For **NITTA GELATIN INDIA LIMITED**

VINOD MOHAN
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl: as above.

Total No. of pages including this- 15

Walker Chandiook & Co LLP

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

To the Board of Directors of Nitta Gelatin India Limited

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Nitta Gelatin India Limited ('the Company') for the year ended 31 March 2023 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, New Delhi, 110001, India

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



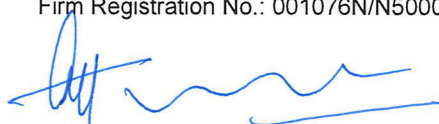
Walker Chandiok & Co LLP

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Krishnakumar Ananthasivan
Partner
Membership No. 206229
UDIN: 23206229BGYTQH5364

Place: Kochi
Date: 8 May 2023



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(₹ in Lakhs, except per share data)

Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from operations	12,951.64	11,947.17	11,834.93	48,675.34	42,851.78
	(b) Other income	17.17	14.08	49.59	531.07	580.08
	Total income (a)+(b)	12,968.81	11,961.25	11,884.52	49,206.41	43,431.86
2	Expenses					
	(a) Cost of materials consumed	6,066.21	5,389.23	5,629.65	23,280.96	22,796.89
	(b) Changes in inventories of finished goods and work-in-progress	482.45	(416.20)	355.47	(36.52)	(58.68)
	(c) Employee benefits expense	1,118.39	1,114.12	1,192.36	4,459.29	4,183.81
	(d) Finance costs	25.86	86.93	112.77	335.25	465.42
	(e) Depreciation and amortisation expense	326.62	335.95	335.91	1,319.44	1,359.45
	(f) Other expenses	3,032.84	2,798.51	3,016.43	12,039.65	10,923.91
	Total expenses	11,052.37	9,308.54	10,642.59	41,398.07	39,670.80
3	Profit before exceptional items and tax (1-2)	1,916.44	2,652.71	1,241.93	7,808.34	3,761.06
4	Exceptional items	-	-	-	-	-
5	Profit before tax (3+4)	1,916.44	2,652.71	1,241.93	7,808.34	3,761.06
6	Tax expense (refer note 6)					
	- Current tax	705.64	540.11	417.00	2,275.75	1,124.00
	- Deferred tax (credit)/charge	(172.61)	37.84	(43.81)	(343.86)	(22.64)
7	Profit for the period/year (5 - 6)	1,383.41	2,074.76	868.74	5,876.45	2,659.70
8	Other comprehensive income/(loss)					
	(i) Items that will not be reclassified subsequently to profit or loss	156.10	(41.71)	(78.80)	25.04	(176.04)
	Income tax relating to items that will not be reclassified subsequently to profit or loss	(22.53)	(9.86)	23.07	(6.25)	51.72
	(ii) Items that will be reclassified subsequently to profit or loss	-	-	(160.22)	(13.31)	(143.36)
	Income tax relating to items that will be reclassified subsequently to profit or loss	-	-	46.66	3.87	41.75
	Total other comprehensive income/(loss) (net of tax)	133.57	(51.57)	(169.29)	9.35	(225.93)
9	Total comprehensive income for the period/year (7+8)	1,516.98	2,023.19	699.45	5,885.80	2,433.77
10	Paid-up equity share capital (face value of ₹ 10/- per share)	907.92	907.92	907.92	907.92	907.92
11	Other equity				23,086.40	17,563.76
12	Earnings per Equity Share					
	a) Basic: (₹)	15.24	22.85	9.57	64.72	29.29
	b) Diluted: (₹)	15.24	22.85	9.57	64.72	29.29
		Not annualised				



STANDALONE AUDITED BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	(` In Lakhs)	
		As at 31-Mar-2023	As at 31-Mar-2022
		Audited	Audited
A	ASSETS		
1	Non-current Assets		
	(a) Property, plant and equipment	10,783.00	10,179.95
	(b) Capital work-in-progress	654.65	711.00
	(c) Other intangible assets	85.77	52.69
	(d) Financial assets		
	(i) Investments	450.84	449.68
	(ii) Loans	6.41	3.80
	(iii) Other financial assets	401.82	387.55
	(e) Income tax assets (net)	716.47	1,156.11
	(f) Other non-current assets	1,218.04	902.50
	Total - Non-current assets	14,317.00	13,843.28
2	Current Assets		
	(a) Inventories	8,501.45	9,201.53
	(b) Financial assets		
	(i) Trade receivables	7,853.94	7,580.15
	(ii) Cash and cash equivalents	1,000.20	14.70
	(iii) Bank balances other than cash and cash equivalents	59.86	80.41
	(iv) Loans	3.45	2.89
	(v) Other financial assets	115.03	119.45
	(c) Other current assets	740.15	730.87
	Total - Current assets	18,274.08	17,730.00
	TOTAL ASSETS	32,591.08	31,573.28
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	907.92	907.92
	(b) Other equity	23,086.40	17,563.76
	Total - Equity	23,994.32	18,471.68
	Liabilities		
1	Non-current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	685.44	675.86
	(b) Provisions	133.89	329.24
	(c) Deferred tax liabilities (net)	187.47	528.95
	Total - Non-current liabilities	1,006.80	1,534.05
2	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,631.03	7,289.58
	(ii) Trade payables		
	a) Total outstanding dues of micro and small enterprises	427.02	230.26
	b) Total outstanding dues of creditors other than micro and small enterprises	2,424.91	1,657.43
	(iii) Other financial liabilities	634.93	427.58
	(b) Other current liabilities	629.27	768.16
	(c) Provisions	248.00	413.33
	(d) Current tax liability (net)	594.80	781.21
	Total - Current liabilities	7,589.96	11,567.55
	TOTAL EQUITY AND LIABILITIES	32,591.08	31,573.28



STATEMENT OF STANDALONE AUDITED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

Particulars	(` in Lakhs)	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
	Audited	Audited
A. Cash flows from operating activities		
Profit before tax	7,808.34	3,761.06
Adjustments for:		
Depreciation and amortisation expense	1,319.44	1,359.45
Loss/(gain) on disposal of property, plant and equipment (net)	104.82	(0.45)
Provision for impairment on property, plant and equipment	-	22.00
Finance costs	335.25	465.42
Interest income	(17.63)	(15.63)
Dividend income from non-current investments	(472.50)	(175.17)
Liabilities no longer required written back	(0.44)	(12.47)
Unrealised foreign exchange loss (net)	79.76	4.94
Operating profit before working capital changes	9,157.04	5,409.15
Adjustments for working capital changes:		
Increase in trade receivables, other financial assets and other current assets	(593.36)	(2,621.56)
Decrease/(increase) in inventories	700.08	(906.17)
Increase/(decrease) in trade payables, other financial liabilities and other current liabilities	925.50	(506.08)
Decrease in provisions	(336.80)	(65.97)
Cash generated from operations	9,852.46	1,309.37
Income taxes (paid)/refund (net)	(2,022.52)	22.89
Net cash generated from operating activities - (A)	7,829.94	1,332.26
B. Cash flows from investing activities		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(2,026.28)	(1,426.96)
Proceeds from disposal of property, plant and equipment	4.49	2.20
Decrease in other bank balances with maturity more than three months	19.06	85.66
Interest received	17.42	14.52
Dividend received	472.50	175.17
Net cash used in investing activities - (B)	(1,512.81)	(1,149.41)
C. Cash flows from financing activities		
Proceeds from non-current borrowings	216.81	341.20
Repayment of non-current borrowings	(2,171.76)	(623.91)
(Repayments)/proceeds from current borrowings (net)	(2,746.66)	641.02
Dividend paid	(361.67)	(270.30)
Interest paid	(268.35)	(326.15)
Net cash used in financing activities - (C)	(5,331.63)	(238.14)
Net increase/(decrease) in cash and cash equivalents - (A)+(B)+(C)	985.50	(55.29)
Cash and cash equivalents at the beginning of the period/year	14.70	69.99
Cash and cash equivalents at the end of the period/year	1,000.20	14.70
	985.50	(55.29)

Components of cash and cash equivalents

a) Cash on hand	1.75	2.20
b) Balance with banks :		
- in current accounts	998.45	12.50
Cash and cash equivalents	1,000.20	14.70

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at 31-Mar-2021	Cash flows	Non cash changes	As at 31-Mar-2022
Non-current borrowings (including current maturities)	2,895.39	(282.71)	138.47	2,751.15
Current borrowings	4,577.18	641.02	(3.91)	5,214.29

Particulars	As at 31-Mar-2022	Cash flows	Non cash changes	As at 31-Mar-2023
Non-current borrowings (including current maturities)	2,751.15	(1,954.95)	50.23	846.43
Current borrowings	5,214.29	(2,746.66)	2.41	2,470.04



Notes:

- 1 These financial results have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI ("Listing Obligations and Disclosure requirements") Regulations, 2015, as amended.
- 2 The Company is engaged in the manufacture and sale of products which form part of a single product group which represents one operating segment. As the Chief Operating Decision Maker ("CODM") reviews business performance at an overall group level, disclosure requirement under Ind AS 108 on "Operating Segment" is not applicable.
- 3 Performance of the plant in Reva Division, Bharuch of the Company is reported as a cost centre for products used captively for manufacture of Gelatin and profit centre for products sold to external customers (including Group Company). To comply with pollution control board guidelines the Company needs to incur additional expense to manufacture one of the products exported from the division. The management was not utilising the installed capacity in full due to the higher manufacturing cost as mentioned above. In the opinion of management, the manufacture and sale of this product would qualify as a cash generating unit ("CGU") as per Ind AS 36 as it represents an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Consequently, an impairment testing of the carrying value of certain identified property, plant and equipment used for manufacture of this product as at 31 March 2023 was carried out in the manner prescribed in Ind AS 36 and provision for impairment amounting to ₹ 531.95 Lakhs is carried in the books, which is considered to be adequate.
- 4 As per approved policy for risk mitigation against foreign exchange rate fluctuations, the Company takes forward foreign exchange contract for USD denominated current and future receivables. Ind AS 109 mandates recognition of cash flow hedge in situations where hedge effectiveness can be established for the hedged item and the hedging instrument and the company was recognizing Mark to Market ("MTM") gain or loss in other comprehensive income till 30 June 2022. As a matter of prudence and the future challenges in establishing hedge effectiveness for cash flow hedge, the company recognized the MTM loss on outstanding forward foreign exchange contracts amounting to ₹ 396.00 Lakhs in the profit and loss account for the quarter and the half year ended 30 September 2022. Certain forward foreign exchange contracts were cancelled/utilised subsequently and the incremental loss was accounted in the statement of profit and loss in the respective quarters. The MTM loss on the remaining forward foreign exchange contracts recognised as on 31 March 2023 is ₹ 63.07 Lakhs.
- 5 Other income for the year ended 31 March 2023 and 31 March 2022 includes dividend of ₹ 472.50 Lakhs and ₹ 175.00 Lakhs respectively, received from the subsidiary company.
- 6 During the quarter ended 31 December 2022, the management decided to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the deferred tax liabilities (net) as at 31 March 2022 and the estimate of tax expense for the year ended 31 March 2023 have been re-measured. Consequently, deferred tax expense for year ended 31 March 2023 includes a charge of ₹ 22.96 Lakhs (quarter ended 31 December 2022: ₹ 22.96 Lakhs), net of Minimum Alternate Tax ("MAT") credit written off amounting to ₹ 109.00 Lakhs (quarter ended 31 December 2022: ₹ 109.00 Lakhs).
- 7 The Board of Directors has proposed a dividend of ₹ 1.18/- per preference share (@ 5.4029% p.a.) on 929,412 Optionally Convertible (non cumulative) preference shares of ₹ 170/- each for 47 days, a dividend of ₹ 0.7650/- per preference share (@ 7.65063% p.a.) on 44,44,444 redeemable preference shares of ₹ 10/- each and a dividend of ₹ 7.5 /- per equity share (75 % of the face value of ₹ 10/- per share) in their meeting held today which is subject to approval by the shareholders in the ensuing Annual General Meeting.
- 8 The Board of Directors of Nitta Gelatin India Limited at its meeting held on 2 January 2023 has approved the issuance of equity shares of the Company having face value of ₹ 10/- each, on a Rights basis to eligible equity shareholders of the Company as on the Record Date (to be determined and notified later) for an amount of upto ₹ 4077.00 Lakhs (the "Rights Issue"), in accordance with the relevant SEBI Regulations, the Companies Act, 2013 and other applicable subject laws/regulations and subject to such regulatory and statutory approvals, as may be required in this regard.
- 9 The management identified an employee who is suspected to have colluded with vendors and manipulated certain weightment records of a raw material which resulted in making excess payments to two vendors. During the quarter ended 31 March 2023, an external agency was appointed by management for investigation and the agency reported that there were indications of manipulations in weightment and actual quantity received was less than the quantity of raw materials recorded in books. The financial impact of this suspected fraud is estimated to be ₹ 200.83 Lakhs spread over a period of two years. Since the amount involved is not material and consumption of raw material is accounted in books on the basis of value of quantity recorded in books, no further adjustment is required in the financial statements for the year ended 31 March 2023. The Company has taken disciplinary proceedings against the suspected employee and has enhanced checks and controls around sourcing, weightment and payment for purchase of raw materials.
- 10 The cost of raw materials consumed for the quarter and the year ended 31 March 2023 includes provision created towards slow moving inventory of Fish protein amounting to ₹ 649.00 Lakhs. This raw material was procured based on budgeted sales to a South Korean customer which, however, did not materialize because of economic slowdown in that country. Further, an amount of ₹ 121.63.00 Lakhs is created towards provision for slow moving finished goods.
- 11 The financial performance of the Company is dependent on quality / availability of Crushed Bone, its price and market demand of finished goods.
- 12 Figures for the quarters ended 31 March 2023 and 31 March 2022 are the balancing figures between audited figures for the full financial year and the reviewed year to date figures upto the third quarter of the respective financial years.
- 13 The above standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 6 May 2023 and 8 May 2023.
- 14 Prior period/year comparatives have been regrouped/reclassified wherever necessary to conform with the current period/year classification.

Place: Kochi
Date: 8 May 2023



For and on behalf of Nitta Gelatin India Limited


Philip Chacko M
Managing Director
DIN : 01219764



Walker Chandiook & Co LLP

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T +91 484 406 4546

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

To the Board of Directors of Nitta Gelatin India Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary referred to as 'the Group') for the year ended 31 March 2023 attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) Includes the Annual financial results of the following entity;
 - a. Bamni Proteins Limited
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the Consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41 Connaught Circus, Outer Circle, New Delhi, 110001, India

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has an adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.




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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors.
9. We communicate with those charged with governance of the Holding Company and such other entity included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

12. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013



Krishnakumar Ananthasivan
Partner
Membership No. 206229
UDIN: 23206229BGYTQJ3165

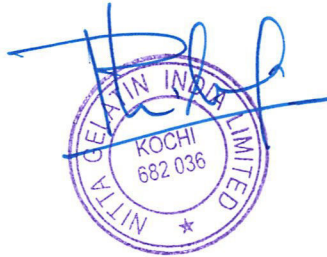


Place: Kochi
Date: 8 May 2023

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

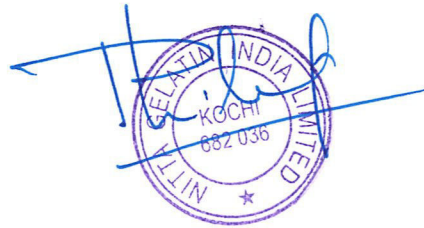
(₹ in Lakhs, except per share data)

Sl. No.	Particulars	Quarter ended			Year ended	
		31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
		Audited Note no 13	Unaudited	Audited Note no 13	Audited	Audited
1	Income					
	(a) Revenue from operations	14,561.64	13,955.22	14,160.03	56,536.64	50,597.66
	(b) Other income	35.21	17.66	71.70	81.80	457.74
	Total income (a)+(b)	14,596.85	13,972.88	14,231.73	56,618.44	51,055.40
2	Expenses					
	(a) Cost of materials consumed	6,794.35	6,180.78	6,832.47	26,910.25	27,567.25
	(b) Changes in inventories of finished goods and work-in-progress	482.62	(348.39)	472.49	53.14	(10.50)
	(c) Employee benefits expense	1,272.42	1,269.86	1,328.53	5,079.59	4,745.60
	(d) Finance costs	26.77	89.23	115.64	343.57	478.86
	(e) Depreciation and amortisation expense	351.85	363.74	355.72	1,412.38	1,436.71
	(f) Other expenses	3,357.34	3,082.82	3,286.75	13,209.62	11,921.64
	Total expenses	12,285.35	10,638.04	12,391.60	47,008.55	46,139.56
3	Profit before exceptional items and tax (1-2)	2,311.50	3,334.84	1,840.13	9,609.89	4,915.84
4	Exceptional items (refer note 11)	-	296.87	-	296.87	-
5	Profit before tax (3 + 4)	2,311.50	3,631.71	1,840.13	9,906.76	4,915.84
6	Tax expense(refer note 6)					
	- Current tax	807.40	734.74	585.21	2,875.76	1,490.63
	- Income tax relating to earlier years	-	(0.91)	-	8.88	-
	- Deferred tax (credit)/charge	(173.37)	18.35	(55.50)	(367.87)	(59.49)
7	Profit for the period/ year (5 - 6)	1,677.47	2,879.53	1,310.42	7,389.99	3,484.70
8	Other comprehensive income					
	(i) Items that will not be reclassified subsequently to profit or loss	156.27	(42.87)	(55.72)	21.74	(180.66)
	Income tax relating to items that will not be reclassified subsequently to profit or loss	(22.57)	(9.57)	17.26	(5.42)	52.88
	(ii) Items that will be reclassified subsequently to profit or loss	(0.02)	-	(195.20)	(16.58)	(153.80)
	Income tax relating to items that will be reclassified subsequently to profit or loss	-	-	55.47	4.69	44.38
	Total other comprehensive income/(loss) (net of tax)	133.68	(52.44)	(178.19)	4.43	(237.20)
9	Total comprehensive income for the period/year (7+8)	1,811.15	2,827.09	1,132.23	7,394.42	3,247.50
	Profit for the period attributable to					
	a) Owners of the parent	1,618.45	2,725.54	1,219.77	7,031.11	3,292.02
	b) Non controlling interest	59.02	153.99	90.65	358.88	192.68
	Other comprehensive income/(loss) attributable to					
	a) Owners of the parent	133.66	(52.29)	(176.76)	5.30	(235.21)
	b) Non controlling interest	0.02	(0.15)	(1.43)	(0.87)	(1.99)
	Total comprehensive income attributable to					
	a) Owners of the parent	1,752.11	2,673.25	1,043.01	7,036.41	3,056.81
	b) Non controlling interest	59.04	153.84	89.22	358.01	190.69
10	Paid-up equity share capital (face value ₹ 10/- per share)	907.92	907.92	907.92	907.92	907.92
11	Other equity				25,852.74	19,179.49
12	Earnings per Equity Share					
	a) Basic: (₹)	17.83	30.02	13.43	77.44	36.26
	b) Diluted: (₹)	17.83	30.02	13.43	77.44	36.26
			Not annualised			



CONSOLIDATED AUDITED BALANCE SHEET AS AT 31 MARCH 2023

	Particulars	₹ In Lakhs	
		As at 31-Mar-2023	As at 31-Mar-2022
		Audited	Audited
A	ASSETS		
1	Non-current Assets		
	(a) Property, plant and equipment	11,291.29	10,662.64
	(b) Capital work-in-progress	663.12	711.00
	(c) Other intangible assets	93.86	61.51
	(d) Financial assets		
	(i) Investments	100.84	99.68
	(ii) Loans	6.41	3.80
	(iii) Other financial assets	486.61	428.93
	(e) Deferred tax assets	37.15	28.21
	(f) Income tax assets (net)	733.06	1,213.82
	(g) Other non-current assets	1,218.04	902.50
	Total - Non-current assets	14,630.38	14,112.09
2	Current Assets		
	(a) Inventories	9,306.12	10,262.20
	(b) Financial assets		
	(i) Trade receivables	8,775.41	8,882.91
	(ii) Cash and cash equivalents	3,022.32	209.29
	(iii) Bank balances other than cash and cash equivalents	59.86	95.17
	(iv) Loans	3.45	2.89
	(v) Other financial assets	122.51	125.85
	(c) Other current assets	824.82	858.75
	Total - Current assets	22,114.49	20,437.06
	TOTAL ASSETS	36,744.87	34,549.15
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	907.92	907.92
	(b) Other equity	25,852.74	19,179.49
	Equity attributable to owners of the parent	26,760.66	20,087.41
	Non controlling interest	700.14	443.38
	Total - Equity	27,460.80	20,530.79
	Liabilities		
1	Non-current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	685.44	675.86
	(b) Provisions	195.92	383.89
	(c) Deferred tax liabilities	136.96	494.34
	Total - Non-current liabilities	1,018.32	1,554.09
2	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,237.16	7,938.88
	(ii) Trade payables		
	a) Total outstanding dues of micro and small enterprises	99.94	162.93
	b) Total outstanding dues of creditors other than micro and small enterprises	2,772.65	1,921.42
	(iii) Other financial liabilities	634.93	427.61
	(b) Other current liabilities	643.67	778.86
	(c) Provisions	270.08	436.95
	(d) Current tax liability (net)	607.32	797.62
	Total - Current liabilities	8,265.75	12,464.27
	TOTAL EQUITY AND LIABILITIES	36,744.87	34,549.15



STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

Particulars	₹ In Lakhs	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022
	Audited	Audited
A. Cash flows from operating activities:		
Profit before tax	9,906.76	4,915.84
Adjustments for:		
Depreciation and amortisation expense	1,412.38	1,436.70
Loss on disposal of property, plant and equipment (net of exceptional item)	(150.18)	0.51
Finance costs	343.57	478.86
Provision for impairment on plant and equipment	-	22.00
Interest income	(77.55)	(17.79)
Dividend income from non-current investments	-	(0.17)
Liabilities no longer required written back	(0.44)	(12.47)
Unrealised foreign exchange loss (net)	52.98	3.58
Operating profit before working capital changes	11,487.52	6,827.06
Adjustments for changes in working capital :		
Increase in trade receivables, other financial assets and other current assets	(28.08)	(3,007.25)
Decrease/(increase) in inventories	956.09	(973.24)
Increase/(decrease) in trade payables, other financial liabilities and other current liabilities	617.35	(666.36)
Decrease in provisions	(334.27)	(88.04)
Cash generated from operations	12,698.61	2,092.17
Income taxes paid (net of refund)	(2,594.18)	(382.45)
Net cash generated from operating activities - (A)	10,104.43	1,709.72
B. Cash flow from investing activities:		
Purchase of property, plant and equipment, capital work in progress and intangible assets	(2,163.05)	(1,515.41)
Proceeds from disposal of property, plant and equipment(including exceptional item)	272.89	2.20
Decrease in other bank balances with maturity more than three months	19.06	85.66
Dividend received	-	0.17
Interest received	71.08	17.08
Investment in bank deposit (net)	(28.65)	(6.04)
Net cash used in investing activities - (B)	(1,828.67)	(1,416.34)
C. Cash flow from financing activities:		
Proceeds from non-current borrowings	216.81	341.20
Repayment of non-current borrowings	(2,171.76)	(623.91)
(Repayment of)/proceeds from current borrowings (net)	(2,768.19)	753.59
Dividend paid	(462.92)	(307.80)
Interest paid	(276.67)	(339.60)
Net cash used in financing activities - ©	(5,462.73)	(176.52)
Net increase in cash and cash equivalents - (A)+(B)+(C)	2,813.03	116.86
Cash and cash equivalents at the beginning of the year	209.29	92.43
Cash and cash equivalents at the end of the year	3,022.32	209.29
	2,813.03	116.86

Components of Cash and cash equivalents

a) Cash on hand	2.25	2.45
b) Balance with banks :		
- in current accounts	1,210.67	206.84
- in deposit accounts with a maturity of less than three months	1,809.40	-
Cash and cash equivalents	3,022.32	209.29

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at 31-Mar-2021	Cash flows	Non Cash changes	As at 31-Mar-2022
Non-current borrowings (including current maturities)	2,895.39	(282.71)	138.47	2,751.15
Current borrowings	5,112.99	753.59	(2.99)	5,863.59

Particulars	As at 31-Mar-2022	Cash flows	Non cash changes	As at 31-Mar-2023
Non-current borrowings (including current maturities)	2,751.15	(1,954.95)	50.23	846.43
Current borrowings	5,863.59	(2,768.19)	(19.24)	3,076.16



Notes:

- 1 These consolidated financial results of Nitta Gelatin India Limited ("the Holding Company") and its subsidiary, together referred to as the "Group" have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended.
- 2 The Group is engaged in the manufacture and sale of products which form part of a single product group which represents one operating segment. As the Chief Operating Decision Maker ("CODM") reviews business performance at an overall group level, disclosure requirement under Ind AS 108 on "Operating Segment" is not applicable.
- 3 Performance of the plant in Reva Division, Bharuch of the Group is reported as a cost centre for products used captively for manufacture of Gelatin and profit centre for products sold to external customers (including Group Company). To comply with pollution control board guidelines the Group needs to incur additional expense to manufacture one of the products exported from the division. The management of the Holding Company was not utilising the installed capacity in full due to the higher manufacturing cost as mentioned above. In the opinion of management of the Holding Company, the manufacture and sale of this product would qualify as a cash generating unit ("CGU") as per Ind AS 36 as it represents an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Consequently, an impairment testing of the carrying value of certain identified property, plant and equipment used for manufacture of this product as at 31 March 2023 was carried out in the manner prescribed in Ind AS 36 and provision for impairment amounting to ₹ 531.95 Lakhs is carried in the books, which is considered to be adequate.
- 4 The Board of Directors has proposed a dividend of ₹ 1.18/- per preference share (@ 5.4029% p.a.) on the 929,412 Optionally Convertible (non cumulative) preference shares of face value of ₹ 170/- each for 47 days, a dividend of ₹ 0.7650 per preference share (@ 7.65063% p.a.) on the 4,444,444 redeemable preference shares of ₹ 10/- each and a dividend of ₹ 7.5 /- per equity share (75 % of the face value of ₹ 10/- per share) in their meeting held today which is subject to approval by the shareholders in the ensuing Annual General Meeting.
- 5 As per approved policy for risk mitigation against foreign exchange rate fluctuations, the Group takes forward foreign exchange contract for USD denominated current and future receivables. Ind AS 109 mandates recognition of cash flow hedge in situations where hedge effectiveness can be established for the hedged item and the hedging instrument and the company was recognizing Mark to Market ("MTM") gain or loss in other comprehensive income till 30 June 2022. As a matter of prudence and the future challenges in establishing hedge effectiveness for cash flow hedge, the Group recognized the MTM loss on outstanding forward foreign exchange contracts amounting to ₹ 454.34 Lakhs in the profit and loss account for the quarter and the half year ended 30 September 2022. Certain forward foreign exchange contracts were cancelled/utilised subsequently and the incremental loss was accounted in the statement of profit and loss in the respective quarters. The MTM loss on the remaining forward foreign exchange contracts recognised as on 31 March 2023 is ₹ 64.06 Lakhs.
- 6 During the quarter ended 31 December 2022, the management of the Holding Company decided to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the deferred tax liabilities (net) as at 31 March 2022 and the estimate of tax expense for the year ended 31 March 2023 have been re-measured. Consequently, deferred tax expense for year ended 31 March 2023 includes a charge of ₹ 22.96 Lakhs (quarter ended 31 December 2022: ₹ 22.96 Lakhs), net of Minimum Alternate Tax ("MAT") credit written off amounting to ₹ 109.00 Lakhs (quarter ended 31 December 2022: ₹ 109.00 Lakhs).
- 7 The Board of Directors of the Holding Company at its meeting held on 2 January 2023 has approved the issuance of equity shares of the Holding Company having face value of ₹ 10/- each, on a rights basis to eligible equity shareholders of the Holding Company as on the Record Date ("to be determined and notified later") for an amount of up to ₹ 4,077.00 Lakhs, in accordance with the relevant SEBI Regulations, the Companies Act, 2013 and other applicable laws/regulations and subject to such regulatory and statutory approvals, as may be required in this regard.
- 8 The management identified an employee who is suspected to have colluded with vendors and manipulated certain weight records of a raw material which resulted in making excess payments to two vendors. During the quarter ended 31 March 2023, an external agency was appointed by management for investigation and the agency reported that there were indications of manipulations in weightment and actual quantity received was less than the quantity of raw materials recorded in books. The financial impact of this suspected fraud is estimated to be ₹ 200.83 Lakhs spread over a period of two years. Since the amount involved is not material and consumption of raw material is accounted in books on the basis of value of quantity recorded in books, no further adjustment is required in the financial statements for the year ended 31 March 2023. The Group has taken disciplinary proceedings against the suspected employee and has enhanced checks and controls around sourcing, weightment and payment for purchase of raw materials.
- 9 The cost of raw materials consumed for the quarter and the year ended 31 March 2023 includes provision created towards slow moving inventory of Fish protein amounting to ₹ 649.00 Lakhs. This raw material was procured based on budgeted sales to a South Korean customer which, however, did not materialize because of economic slowdown in that country. Further, an amount of ₹ 121.63.00 Lakhs is created towards provision for slow moving finished goods.
- 10 The financial performance of the Group is dependent on quality / availability of Crushed Bone, its price and market demand of finished goods.
- 11 In accordance with National Highways Authority of India's ("NHA") notification dated 26 May 2019 and subsequent communication by Sub Divisional Officer and Competent Land Acquisition Authority, Ballarpur, a portion of the land belonging to the subsidiary company, Bamni Proteins Limited has been compulsorily acquired by NHA. The compensation amounting to ₹ 303.95 Lakhs including interest was received on 12 January 2023. Compensation, net of written down value, amounting to ₹ 296.87 Lakhs has been accounted under "Exceptional item" in the financial statements for the year ended 31 March 2023. The Group has reserved the right for higher compensation and has filed an appeal for arbitration before the competent authority.
- 12 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 6 May 2023 and 8 May 2023 respectively. The statutory auditors have expressed an unmodified audit opinion on these consolidated financial results.
- 13 Figures for the quarters ended 31 March 2023 and 31 March 2022 are the balancing figures between audited figures for the full financial year and the reviewed year to date figures upto the third quarter of the respective financial years.
- 14 Prior period comparatives have been regrouped/reclassified where necessary to conform to current period classification.



For and on behalf of Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

Place: Kochi
Date: 8 May 2023

