Nitta Gelatin India Limited
(Formerly Kerala Chemicals and Proteins Limited)
Joint venture of Kerala State Industrial Development Corporation Ltd. and Nitta Gelatin Inc.

Post Box 4262
SBT Avenue
Panampilly Nagar
Cochin - 682 036 India
Tel : 0484 2864400, 2317805
Fax : 0484 2310568
Email :ro@nitta-gelatin.co.in

GELATIN DIVISION
Post Box 3109
PO Info Park, Kakkanad
Cochin - 682 042 India
Tel : 0484 2869300, 2869500
Fax : 0484 2415504
Email : gd@nitta-gelatin.co.in

OSSEIN DIVISION
PO Kathikudam
(Via) Koratty
Trichur - 680 308 India
Tel : 0480 2749300, 2719598
Email : od@nitta-gelatin.co.in

CIN : L24299KL1975PLC002691

Website : www.gelatin.in

12th July, 2023

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

Dear Sir,

SCRIP CODE: 506532

Sub: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR), 2015') – Annual Report for the Financial Year 2022- 2023 and Notice of the 47th Annual General Meeting

With reference to the above subject, please find enclosed herewith the Annual Report for the Financial Year 2022- 2023 which includes the Notice of the 47th Annual General Meeting (AGM) of Nitta Gelatin India Limited ('the Company'), including the Audited Financial Statements (both Consolidated and Standalone) for the Financial Year ended 31st March, 2023, sent by mail to those Members of the Company, whose e-mail addresses are registered with the Company / Depositories/ Registrar and Share Transfer Agent. The requirement of sending physical copies of the Notice of the AGM and Annual Report to the Members of the Company have been dispensed with vide the relevant MCA Circular/s and SEBI Circular/s. The Notice of the 47th AGM and the Annual Report for the Financial Year 2022- 2023 have been made available on the Company's website – https://gelatin.in.

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

Thanking you.
Yours faithfully,
For **Nitta Gelatin India Limited**

VINOD MOHAN
Digitally signed by VINOD MOHAN
Date: 2023.07.12 14:17:39 +05'30'

Vinod Mohan
Company Secretary and Compliance Officer
Encl.: as above.

47th ANNUAL REPORT 2022 - 23

Nitta Gelatin India Limited

www.gelatin.in

Message from

Koichi Ogata

President,
Nitta Gelatin Inc.
Osaka, Japan

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

Dear Shareholders,

Your Company has established new records during the year 2022-2023 by pursuing many strategic initiatives to debottleneck certain critical processes, leading to higher production and productivity through an all round improvement in the efficiency and effectiveness of its operations. The gelatin market is projected to grow at a CAGR of 8.87% worldwide and the Company is well poised to seize the opportunities presented by this growth. India is increasingly being recognised as the pharmacy of the World as the Country produces medicines of global standard at an affordable cost. The growth in demand for capsules by the pharmaceutical industry both in India and across the World augurs well for the Company, with the global reach and strong technological base of our Group supplementing the Company's efforts to further reinforce its leadership position.

The demand for the Company's value added product, Collagen Peptide, is also witnessing robust growth with an increasing focus on wellness, beauty and health worldwide. The global Collagen Market size is estimated to grow at a CAGR of over 7%, presenting many opportunities for this value added product. The Group's R&D team is working closely with your Company to establish the efficacy of its products in many applications, opening up more avenues for profitable growth in the future.

The new year has witnessed a change in the leadership of the Company with the erstwhile Managing Director moving out to pursue other career opportunities. We acknowledge his contribution to the Company and wish him the very best. I would at the same time welcome Mr. Sajiv K. Menon who has taken his place and I am confident that the Company will usher in a new phase of profits and growth under his able stewardship.

Nitta Gelatin India Ltd remains an integral and important part of the Nitta Gelatin group and on behalf of Nitta Gelatin Inc, I would like to assure the shareholders that we will continue to extend our unwavering support and guidance to ensure a robust future for your Company in the years ahead.

Warm Regards,

Koichi-Ogata

Koichi Ogata

Message from the CHAIRMAN

APM Mohammed Hanish IAS
Principal Secretary to Government
Health & Family Welfare, Industries,
AYUSH & Revenue (Waqf) Departments
Government of Kerala

Government Secretariat,
Thiruvananthapuram, Kerala – 695 001

Dear Shareholders,

It gives me immense pleasure to communicate to all of you at a time when your Company has established a new record in its turnover and profit, during the year 2022-2023. The Indian economy has demonstrated its resilience by bouncing back after the difficult period created by the Pandemic and the adverse situation arising out of certain global events and has now become the 5th largest economy in the World. The Government of Kerala has initiated a number of measures to enhance the industry friendly environment in the State whereby the State has moved up from the 28th to the 15th position in the 'Ease of Doing Business' ranking. The new industrial policy of the Government aims to foster a conducive and sustainable industrial ecosystem that brings about investment and innovation. Several pathbreaking initiatives were undertaken by your Company during the last year by debottlenecking some of the critical processes leading to higher productivity, significant process improvements, better value realisation for products and maintaining high productivity of employees, thereby contributing to the record performance. The Company is now on the threshold of finalising an aggressive growth plan to cement its leadership position in the industry.

I wish to convey my heartiest congratulations to the management team for having achieved this truly inspirational performance. Given its strong foundation, your Company looks to the future with renewed enthusiasm and confidence.

I take this opportunity to reiterate the continued support of both the Kerala State Industrial Development Corporation Limited (KSIDC) and the Government of Kerala for the Company and have no doubt that the Company would continue to excel and establish new records through its performance in the years ahead.

Best regards,

APM Mohammed Hanish IAS

BOARD OF DIRECTORS

APM Mohammed Hanish IAS
Chairman

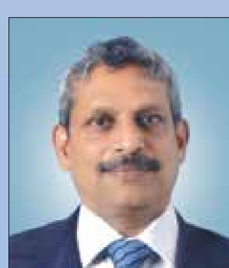
Sajiv K. Menon
Managing Director

Dr. Shinya Takahashi
Director (Technical)

Koichi Ogata
Director

S. Harikishore IAS
Director

Radha Unni
Independent Director



E. Nandakumar
Independent Director

Yoichiro Sakuma
Independent Director

Dr. Justice M. Jaichandren (Retd.)
Independent Director

V. Ranganathan
Independent Director

Dr. M.K.Chandrasekharan Nair
Independent Director

Shirley Thomas
Independent Director

BOARD OF DIRECTORS

Chairman	:	APM MOHAMMED HANISH IAS
Directors	:	KOICHI OGATA S. HARIKISHORE IAS RADHA UNNI E. NANDAKUMAR YOICHIRO SAKUMA DR. JUSTICE M. JAICHANDREN (RETD.) V. RANGANATHAN DR. M.K. CHANDRASEKHARAN NAIR SHIRLEY THOMAS DR. SHINYA TAKAHASHI, DIRECTOR (TECHNICAL)
Managing Director	:	SAJIV K. MENON
Chief Financial Officer	:	P. SAHASRANAMAN
Company Secretary	:	VINOD MOHAN
Statutory Auditors	:	Walker Chandiok & Co LLP, Kochi
Secretarial Auditor	:	Abhilash Nediyalil Abraham, Kochi
Bankers	:	STATE BANK OF INDIA HDFC BANK STANDARD CHARTERED BANK SUMITOMO MITSUI BANKING CORPORATION MIZUHO BANK IDBI Bank UCO BANK
Legal Advisors	:	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: investor@cameoindia.com
Registered Office	:	56/715, SBT Avenue, Panampilly Nagar, 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, Infopark P. O., Kakkanad, Kochi - 682 042 REVA DIVISION Plot No. 832, GIDC Industrial Estate, Jhagadia Dist., Bharuch, Gujarat - 393 110 Website : www.gelatin.in

SUBSIDIARY COMPANY

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

Awards & Accolades

Receiving the KMA CSR Special Jury Award 2023 for Environment and Greenery

Awards & Accolades

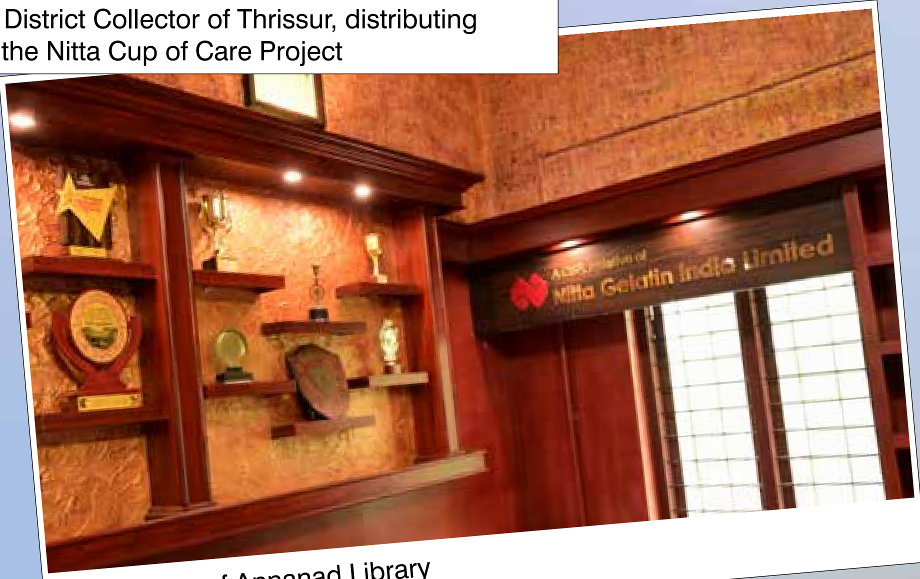
Rhodium Award in the 5th National Convention on innovative QC Teams organized by the Alumni Society of AOTS

Gold Award received at the 5th National Convention on innovative QC Teams organized by the Alumni Society of AOTS

Nitta Gelatin India Limited

Corporate Social Responsibilty

Mrs. Haritha V Kumar IAS, District Collector of Thrissur, distributing Menstrual Cups as part of the Nitta Cup of Care Project



Renovation of Annanad Library

Mr. Saneeshkumar Joseph, MLA of Chalakudy, inaugurates Seating Facilities at KSRTC Bus Stand arranged by NGIL

Corporate Social Responsibilty

Extension of Iyyathukadavu Lift Irrigation Scheme

Free eye camp organized on 26-02-2023 at Vakatpura Village, Jhagadia

Inauguration of Nitta-Nanma Batch, 2022


Gelixer
Better Joint Movement
Support gut health
Less Nail breakage
Gelixer™
COLLAGEN BEAUTY
PEPTIDE
for
SKIN, NAIL, HAIR
NUTRACEUTICAL
WWW.GELIXER.COM
99466-91919

8 SIGNS OF COLLAGEN DEFICIENCY

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Gelixer
Gelixer™
COLLAGEN BEAUTY
COLLAGEN PEPTIDE
for
SKIN, NAIL, HAIR
ORANGE FLAVOR
NUTRACEUTICAL
GELIXER
COLLAGEN
Skin becomes softer, supple and youthful because of collagen
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99466-91919

Gelixer

Diminishing the look of fine lines & wrinkles

Supporting nail strength, growth & less breakage

Treat the scalp with care for thicker, fuller hair

Deeply hydrates & rejuvenates resulting in soft, even and restored skin

Gelixer

Glowing Skin

Stronger Hair

Flexible Joints

Stronger Nails

Improved Gut Health

Higher energy levels

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Gelixer

HEALTH & WELLNESS TIPS

EXERCISE

DRINK WATER REGULARLY

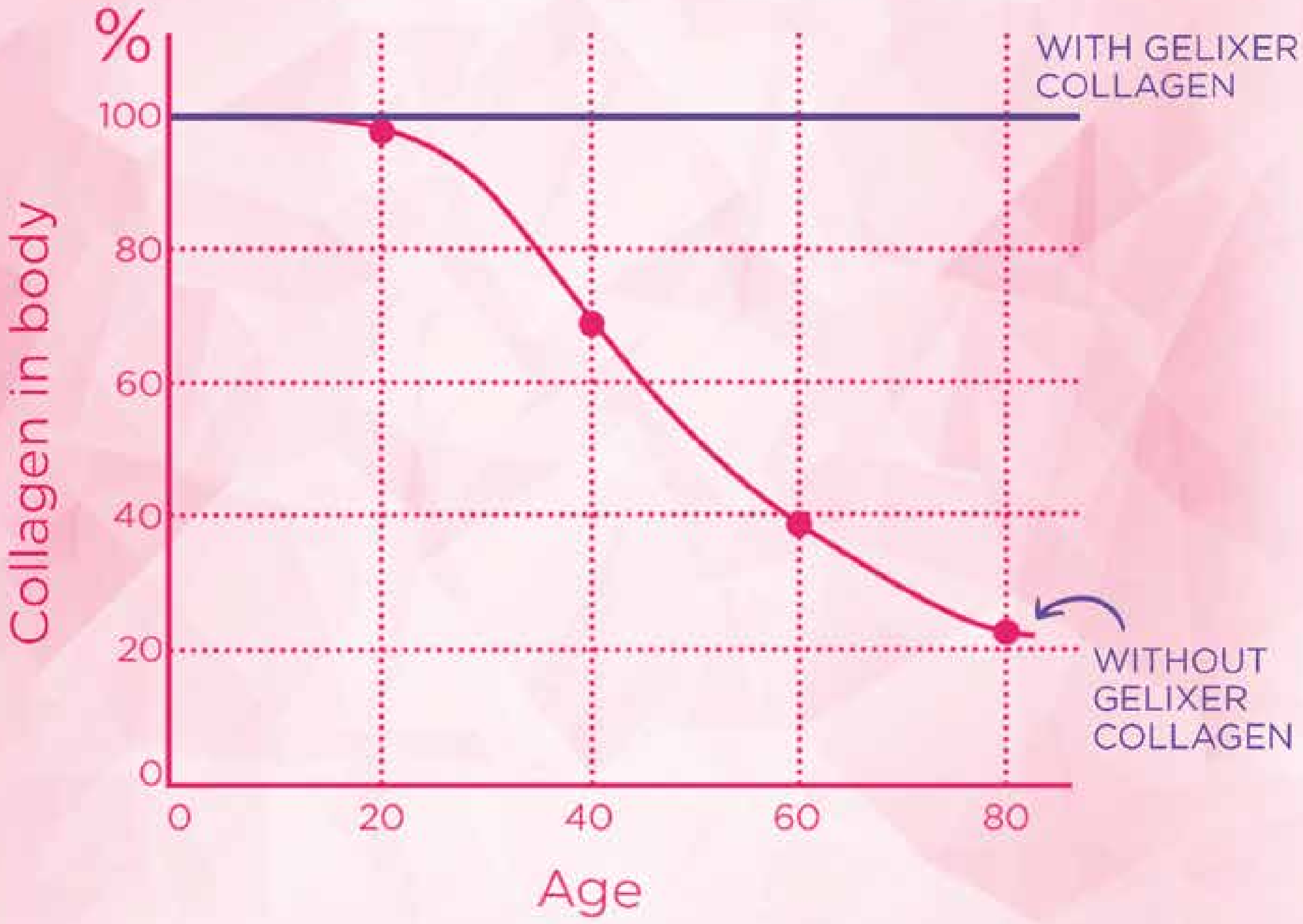
GET ENOUGH SLEEP

ONE (OR TWO) SCOOPS OF GELIXER COLLAGEN IN YOUR DAILY ROUTINE

EAT MORE FRUITS & VEGETABLES

Gelixer

Collagen Depletion with Age



gelixer

BENEFITS OF COLLAGEN

Improved Skin

Stronger hair and nails

Rebuild cartilage for healthy joints

Strengthen bones and muscles

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Gelixer
Youthful
&
Glowing
Skin
Japanese
Collagen
for Anti-Aging
Gelixer
COLLAGEN CLASSIC
COLLAGEN PEPTIDE
Gelixer
COLLAGEN BEAUTY
COLLAGEN PEPTIDE
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CONTENTS

Standalone Financial Highlights (10 Years)

(₹ in Lakhs)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#	2021-22#	2022-23#
Total Income	28,936	36,116	36,099	35,016	34,786	26,190	29,778	35,892	43,432	49,206
Sales*	28,030	34,857	34,707	31,999	33,538	25,276	28,816	34,579	40,482	47,133
Exports (FOB)	16,296	18,275	17,763	16,535	16,383	11,508	12,134	18,813	20,242	20,447
Pre-tax Profit / (Loss)	(731)	1,003	2,643	3,183	1,074	(367)	688	2,434	3,761	7,808
Profit / (Loss) after tax	(496)	510	1,668	2,049	378	(264)	790	1,790	2,660	5,876
Total Comprehensive Income	-	-	-	2,109	306	(151)	201	2,220	2,434	5,886
Earning per share (₹)	-5.47	5.62	17.33	23.23	4.16	-2.9	8.7	19.72	29.29	64.72
Dividend per share (₹)	0	1	2.5	2.5	2.5	1.5	2.5	3	4	7.5
Reserves, Retained Earnings and other Equity	10,635	11,252	12,469	13,010	13,771	13,346	13,409	15,402	17,564	23,086
Share Capital	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92
Shareholder's Funds	11,543	12,160	14,957	13,918	14,679	14,254	14,317	16,310	18,472	23,994
Return on Equity (%)	-4.3	4.2	11.16	14.72	2.57	-1.85	5.51	10.98	14.40	24.49
Book Value / Share (₹)	127.13	133.93	147.34	153.29	161.68	157	157.69	179.64	203.45	264.27
Gross Block	19,516	20,837	21,818	9,772	14,232	15,562	17,178	17,657	18,863	20,386
Net Block	8,159	7,727	8,027	8,733	11,939	12,137	11,969	10,958	10,891	11,438

*Sales is net of excise duty on domestic sales and freight & insurance on export sales.
#Figures are as per Ind AS compliant Financial Statements.

Consolidated Financial Highlights (10 Years)

(₹ in Lakhs)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#	2021-22#	2022-23#
Total Income	28,952	35,953	36,089	36,477	34,672	30,395	34,378	39,769	51,055	56,618
Sales*	28,030	34,857	34,707	33,580	33,538	29,838	33,674	38,859	48,237	55,046
Exports (FOB)	16,296	18,275	17,763	17,959	16,383	14,246	13,679	21,294	25,168	24,964
Pre-tax Profit/(Loss)	(854)	139	1,814	2,398	1,188	733	1,341	2,532	4,916	9,907
Profit/(Loss) after tax	(655)	(359)	856	1,224	460	492	1,235	1,793	3,485	7,390
Total Comprehensive Income	(655)	(359)	856	1,281	383	623	554	2,256	3,248	7,394
Earning per share (₹)	(6.72)	(1.56)	10.77	16.24	4.91	3.82	12.38	19.15	36.26	77.44
Reserves, Retained Earnings and other Equity	10,774	10,505	10,909	14,053	14,060	14,409	14,728	16,685	19,623	26,553
Share Capital	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92
Shareholder's Funds	11,682	11,412	11,817	14,961	14,968	15,317	15,636	17,593	20,531	27,461
Gross Block	26,499	27,079	28,410	13,626	14,745	16,133	17,832	18,325	19,598	21,185
Net Block	13,335	12,629	12,812	12,272	12,312	12,542	12,442	11,430	11,374	11,954

*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 47th Annual General Meeting of Nitta Gelatin India Limited will be held on Friday, the 4th Day of August, 2023 at 10.30 AM (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023, 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 2023, together with the Report of the Auditors thereon.
2. To declare Dividend on Optionally Convertible Preference Shares - 9,29,412 Shares of Rs. 170/- each @ 5.4029% p.a. for a period of 47 days (till the date of redemption i.e. 17th May 2022) amounting to Rs. 10,99,231.00.
3. To declare Dividend on Redeemable Preference Shares– 44,44,444 Shares of ₹ 10/- each @ 7.65063% p.a. absorbing an amount of ₹ 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 MRS. SHIRLEY THOMAS (DIN: 08586100) - INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and 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, Mrs. Shirley Thomas (DIN: 08586100) who was appointed as an Additional Director qualifying as an Independent Director at the Board Meeting held on 08.05.2023 pursuant to provisions of Section 161(1) of the Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Act signifying her candidature as the Independent Director, be and is hereby appointed as an 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 for retirement by rotation.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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 for the re-appointment of Dr. Shinya Takahashi (DIN: 07809828), as a Whole time Director designated as Director (Technical) of the Company for a period of one year with effect from 08.05.2023 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 56/715, SBT Avenue, Panampilly Nagar, Kochi-682036, India
4.	Period of appointment:	One year from 08.05.2023
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 an yearly ceiling of ₹ 15,000/-. Unavailed medical benefit for any year shall be allowed to be carried forward to the next year, if applicable.
7.	Leave Travel Concession:	Return passage for self and family once in a year by air by Economy Class, to and from the place of residence in Japan.
8.	Personal Accident Insurance:	Shall be covered under a personal accident insurance policy at an annual premium not to exceed Rs. 6,000/- to the Company.
9.	Car:	Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.
10	Telephone:	Free telephone, internet facility will be provided at residence.
11.	Income tax liability arising out of the above will have to be borne by the incumbent.	
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 incumbent at any time by giving notice of not less than three months in writing or three months' salary and allowances in lieu thereof. Incumbent 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.

RESOLVED FURTHER THAT the Board of Directors be and is here by authorised to decide on all such other acts and steps as might be required for effecting and regularizing such appointment and remuneration and to settle any issue, question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem fit or desirable, in the best insterests of the Company.

ITEM NO. 8 – APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228) AS MANAGING DIRECTOR

To consider and if thought fit to pass the following Resolution with or without modification, as an **ORDINARY RESOLUTION:**

RESOLVED THAT further to the recommendation by the Nomination and Remuneration Committee vide Circular Resolution dated 25th May 2023 and further to the decision made by the Board of Directors of the Company at its 276th meeting held on 29th May 2023 approving the appointment of Mr. Sajiv K. Menon (DIN: 00168228) as Managing Director of the Company and fixing his remuneration under such terms and conditions more specifically detailed hereunder pursuant to Section 196(1), 197, 198, 203 and Schedule V and such other applicable provisions of the Companies Act, 2013 read with Article 121(1) of the Articles of Association of the Company, the approval of the Central Government and such other statutory approvals as may be required, the consent and approval of the Company be and is hereby accorded for the appointment of Mr. Sajiv K. Menon (DIN: 00168228) as the Managing Director of the Company w.e.f 01st June 2023 till the conclusion of the Annual General Meeting to be held in the year 2024, on such terms and conditions including payment of remuneration in the absence of inadequate profits in the respective financial years as minimum remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board as herein below:

1. Basic Pay
   Basic pay will be ₹ 5,00,000/- per month with effect from 01.06.2023 with an annual increment of 10% of the Basic pay effective 01.04.2024.
2. Personal Allowance
   ₹ 3,26,616/- per month.
3. Special Allowance
   Special Allowance @50% of Basic Pay will be paid per month.
4. Performance Incentive
   The incentive payable at 100% will be ₹ 40,00,000/- per year and a minimum of ₹ 1,66,667/- per month as mentioned in the Explanatory Statement. The maximum incentive payable will be ₹ 48,00,000/- per year based on achievements as indicated in the table.
5. Leave Travel Allowance
   The Leave Travel Allowance payable shall be ₹ 5,70,000/- per annum.
6. Furniture/Furnishing/Appliances, Gas, Electricity, Water etc
   20% of Basic salary. Any unclaimed amount will be paid at the end of the year.
7. Medical Benefits
   One month's Basic Pay which can be availed as per rules applicable to the management staff of the Company.

8. Personal Accident Insurance
   The annual premium not to exceed ₹ 12,000/- for the Company.
9. Leave and Leave Encashment
   As per rules applicable to management staff of the Company.
10. Provident Fund
    Company's contribution to the Provident Fund at 12% of the Basic Pay. In case, he is unable to join the PF Scheme, an equivalent amount will be added to his personal allowance as per 2 above.
11. Gratuity
    Gratuity will be paid @15 days per year of service pro rated to the actual period of service.
12. Car
    Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.
13. Telephone
    Free telephone, internet and fax facility will be provided at residence.
14. Club Membership
    Annual membership fee of any two clubs will be reimbursed. No admission or life membership fees will be paid.
15. Minimum Remuneration
    In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
16. Period of Appointment
    Period of appointment will be with effect from 01st June 2023 until the date of the Annual General Meeting (AGM) to be held in the year 2024.
17. Termination of Term of Office
    The Company shall have the right to terminate the term of office of the Managing Director at any time by giving notice of not less than three months in writing or three months' salary and allowances in lieu thereof. The Managing Director shall also have the right to relinquish his office at any time before the expiry of his term by giving notice of not less than three months.
18. Location of Office
    Our Corporate Office is presently located in Panampilly Nagar, Kochi. He may work from home for upto 5 days every month. While in Kochi, he would have the option to stay in the Company's guest house, in which case all boarding related expenses shall be borne by him.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle any issue, question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem fit or desirable in the best interests of the Company.

ITEM NO. 9 - APPROVAL FOR ENTERING INTO RELATED PARTY TRANSACTIONS BY THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meetings 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 Bamni Proteins Ltd with whom the Company has common Directorship, Nitta Gelatin Inc, Japan and Nitta Gelatin NA Inc., USA and to sell, purchase or supply any goods or material and to avail or render any service of any nature, whatsoever, as Board in its discretion may deem proper, subject to complying with the procedures to be fixed by the Board or its Committee, upto an amount and as per the terms and conditions mentioned under item no. 9 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

Sd/-
Vinod Mohan
Company Secretary
M.No. F8044

Kochi
29.05.2023

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 General Circular No. 10/2022 dated 28.12.2022 which is sequel to their earlier Circular No. 2/2022 dated 05.05.2022,Circular No. 2/2021 dated 13.01.2021 read with Circulars dated 05.05.2020, 08.04.2020 and 13.04.2020 (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, the AGM of the Company shall be held through VC/OAVM 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 through VC/OAVM, the physical attendance of the members have 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. However, in pursuance of Section 113 of the Companies Act, 2013, representatives of Body Corporate can attend the AGM through VC and cast their votes through e-voting.

4. In compliance with the aforesaid MCA Circulars, Annual Report 2022- 23 which includes the Notice of the AGM, Board's Report, Financial Statements and other documents are 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 2022-23 will also be available on the Company's website www.gelatin.in, website of the Stock Exchange i.e. BSE Limited at 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 29th July, 2023 to 4th August, 2023 (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 latest by 02.09.2023 to those Shareholders whose names appear on the Register of Members as on closure, subject to deduction of tax at source.

9. 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.

10. 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 the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the 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 Friday, 28th July, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a rate of 20%.

Rate of TDS:

Category	Status of PAN	Threshold Limit	Rate of TDS
Resident Shareholders	PAN Available	Upto ₹ 5000 Per Annum	10%
Resident Shareholders	PAN Not Available	Upto ₹ 5000 Per Annum	20%
Non Resident Shareholders	PAN Available	No Limit	10%
Non Resident Shareholders	PAN Not Available	No Limit	20%

HUF/Firm/LLP/ Corporate	PAN Available	No Limit	10%
HUF/Firm/LLP/ Corporate	PAN Not Available	No Limit	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 and 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 Friday, 28th July, 2023.

Shareholders desirous of registering/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 in the CAMEO Web Module, which would also additionally enable the Shareholders to submit Form 15G/15H by means of upload of 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.

11. 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). The dividend declared during the Year 2015-16 and remaining unpaid and unclaimed of Rs.2,96,177.50 shall be transferred to IEPF fund by 30th September 2023.

12. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.

13. 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 holdings and to their respective Depository Participant in case of dematted shares.

14. Members may kindly update their email address with the Registrar- CAMEO Corporate Services Limited such that correspondence reach you without fail.

    As mandated by SEBI vide its Circulars dated November 03, 2021, December 14, 2021 and January 25, 2022 and other applicable Circulars issued, investors holding shares in physical mode are required to register/update their details regarding PAN, KYC, specimen signature, bank details and Nomination with the RTA by 30th September 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company’s RTA, Cameo Corporate Services Ltd. at murali@cameoindia.com. The forms for updating the same are available at https://gelatin.in/investor-service-requests. For any further clarification, Shareholders may kindly contact our RTA at Cameo Corporate Services Ltd, Subramanian Building. #1, Club House Road. Chennai 600002, Phone no.: 91 - 44 - 28460390, e-mail id: investor3@cameoindia.com. Members are requested to note that trading of Company’s shares through Stock Exchanges is permitted only in electronic/demat form. Those Members who have not yet converted their holdings into the electronic form may please consider opening an account with an authorised Depository Participant and arrange for dematerialisation.

General Information:

15. **Members desiring any information as regards the Accounts are requested to write to the Company so as to reach the Registered Office at least 5 days before the date of meeting to enable the management to keep the information ready.**

16. Since the AGM is being held through VC/OAVM, the Route map is not annexed to this Notice. .

VOTING THROUGH ELECTRONIC MEANS

- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services including remote e-voting provided by Central Depository Services Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:

- The remote e-voting period commences on Tuesday, August 1st, 2023(9:00 a.m. IST) and ends on Thursday, August 3rd, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, July 28th, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- The Board of Directors has appointed Mr. Abhilash Nediyalil Abraham (M. No. F10876) and (C. P. No. 14524) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- The voting rights of Members shall be in proportion to their shares in the paid-up Equity Share Capital of the Company as on the cut-off date.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E- VOTING ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-voting system in case of individual Shareholders holding shares in demat mode.

(i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to aforementioned SEBI Circular, Login method for e-voting and joining virtual meetings for Individual Shareholders holding securities in Demat mode (CDSL/NSDL) is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login, the Easi/Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period for joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-voting system in case of Shareholders holding shares in physical mode and non-individual Shareholders in demat mode.

Login method for e-voting and joining virtual meetings for Physical Shareholders and Shareholders other than individual holding in Demat form.

1) The Shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in physical mode and other than individual Shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Nitta Gelatin India Limited> on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
16. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com.**
- After receiving the login details a Compliance

User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically and can be de-linked in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vinodmohan@nitta-gelatin.co.in(designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned earlier for e-voting
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned earlier for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 (five) days** prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company email id-vinodmohan@nitta-gelain.co.in. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast **5 (five) days** prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (Company email id-vinodmohan@nitta-gelatin.co.in). These queries will be replied to by the Company suitably by email.
8. Only those Shareholders who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
9. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the Shareholders through e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Shareholders holding shares in physical mode- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA email id.
2. For Demat Shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat Shareholders – **Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.gelatin.in and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013 ('Act')

ITEM NO. 6 – APPOINTMENT OF MRS. SHIRLEY THOMAS (DIN: 08586100) - INDEPENDENT DIRECTOR

The Board of Directors of the Company at its meeting held on 8th May 2023 had on the recommendation of the Nomination and Remuneration Committee appointed Mrs. Shirley Thomas (DIN: 08586100) as an Additional Director of the Company qualifying as an Independent Director with effect from 08th May 2023 as prescribed under law.

Mrs. Shirley Thomas is graduate in Science (Agriculture) and a Certified Associate of the Indian Institute of Bankers. She has rich all-round banking experience from branch banking to Network level senior Management roles, having started with State Bank of India (SBI) in 1984 as a Probationary Officer and had a long career of 37 years in SBI before retiring as General Manager in October 2021.

Her areas of exposure include the following:

a. Retail- liabilities and assets including NRI segment
b. SME
c. Agriculture and Microfinance
d. Commercial Banking
e. Enterprise and Group risk management
f. Stressed Asset Management

Mrs. Shirley Thomas currently is an Independent Director in Muthoot Capital Services Limited (listed entity) and at BWDA Finance Ltd (unlisted entity).

Mrs. Shirley Thomas would be an appropriate choice as she has been in the banking profession for about 4 decades which would add value to the Company as it looks to have financial resources for the various growth plans of the Company.

Mrs. Shirley Thomas fulfills the condition prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and she is independent of the management. The Company has received a declaration from Mrs. Shirley Thomas that she meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given a statement indicating that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013. The Company has received from Mrs. Shirley Thomas, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. Mrs. Shirley Thomas is not debarred from holding of office of Director pursuant to any Securities and Exchange Board of India Order or any other such authority.

The Company has received a notice as envisaged under Section 160 (1) of the Act proposing her for appointment as Independent Director of the Company. The Board recommends the Resolution for appointment of Mrs. Shirley Thomas as an Independent Director of the Company for a term of five consecutive years from date of passing of this Resolution. Upon her appointment, Mrs. Shirley Thomas shall not be liable to retire by rotation.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, is provided as a part of this Notice.

Except Mrs. Shirley Thomas, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested - financially or otherwise- in this item of business.

ITEM NO. 7 - RE-APPOINTMENT OF DR. SHINYA TAKAHASHI (DIN: 07809828) AS A WHOLE TIME DIRECTOR DESIGNATED AS DIRECTOR (TECHNICAL)

Dr. Shinya Takahashi was originally appointed as Director (Technical) in the year 2017 for a period of two years beginning 09.05.2017 and his appointment was further extended twice which was approved by the Shareholders at the Annual General Meetings held in the year 2019 and 2021.

Pending completion of the two year term, Dr. Shinya Takahashi was proposed for re-appointment by NGI, Japan; whereafter, the Board of Directors at their meeting dated

08.05.2023 re-appointed Dr. Shinya Takahashi as Director (Technical) for yet another term of one year beginning that date, pursuant to the recommendation by the Nomination and Remuneration Committee in this regard.

Dr. Shinya Takahashi originally held the position of General Manager (Quality Assurance Dept.) in Nitta Gelatin Inc., Japan. He holds a PhD from Chiba University and Graduate School of Advanced Integration Science.

The Board of Directors at their meeting dated 08.05.2023, on detailed consideration of the recommendation of Nomination and Remuneration Committee, recommends to the Shareholders, re-appointment of Dr. Shinya Takahashi as a Wholetime Director designated as Director (Technical) on the existing terms and conditions, subject to such other approvals by the Statutory and Regulatory Authorities as might be applicable.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, is provided as a part of this Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Dr. Shinya Takahashi and his relatives, are in any way, concerned or interested in the said resolution.

ITEM NO. 8 – APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228) AS MANAGING DIRECTOR

Mr. Sajv K. Menon (DIN: 00168228) was nominated by Nitta Gelatin Inc., Japan as per the terms of the Promotional Agreement and Article 121(1) of the Articles of Association of the Company, as the Managing Director of the Company. The Nomination and Remuneration Committee vide Circular Resolution dated 25th May 2023 had recommended to the Board to consider his appointment as Managing Director. Accordingly, the Board at their meeting held on 29th May 2023 had appointed Mr. Sajiv K. Menon as the Managing Director of the Company with effect from 01st June 2023 till the conclusion of the Annual General Meeting to be held in the year 2024 pursuant to Sections 196(1), 197, 198, 203, Schedule V and such other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Article 121(1) of the Articles of Association of the Company and such other statutory approvals as may be required and as recommended by the Nomination and Remuneration Committee and subject to the determination/approval in the General Meeting of the Company, of the terms and conditions of appointment as are detailed in the corresponding Resolution. The details as required of Mr. Sajiv K. Menon seeking appointment as Managing Director are given separately.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors accordingly recommends the Resolution as set out at item no. 8 of the Notice for approval by the Members of the Company as an Ordinary Resolution.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards, is provided as a part of this Notice.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Sajiv K. Menon and his relatives, to the extent of his appointment are concerned or interested, financially or otherwise, in the said resolution mentioned at item no. 8 of the Notice.

Incentive formula referred to at item no. 8 of the terms and conditions of appointment:

Incentive Criteria	Amount/ Year (in ₹)	Achieve ment in %	Minimum/ pm (in ₹)	Achieve ment in %	% of incen tive	Amount/ Year (in ₹)	Achieve ment in %	% of incen tive	Amount/ Year (in ₹)	Achieve ment in %	% of incen tive	Amount/ Year (in ₹)	Achieve ment in %	% of incen tive	Amount/ Year (in ₹)
Actual Consolidated Net Profit before Tax as compared to Board approved Budget for the year	3000000	up to 50%	125,000	50.01 to 80	62.5	1,875,000	80.01 to 100	75	2,250,000	100.01 to 110	100	3,000,000	Above 110.01	120	3,600,000
Increase in Total Revenue (consolidated) in current period compared to Board approved budget for the year	1000000	up to 5%	41,667	5.01 to 7.50	62.5	625,000	7.51 to 10	75	750,000	10.01 to 15	100	1,000,000	Above 15.01	120	1,200,000
Total	**4000000**		**166,667**		**62.5**	**2,500,000**		**75**	**3,000,000**		**100**	**4,000,000**		**120**	**4,800,000**

ITEM NO. 9 - APPROVAL FOR ENTERING INTO RELATED PARTY TRANSACTIONS BY THE COMPANY

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. Section 188 of the Act envisages an approval by the Board of Directors for the Related Party Transactions which by nature are neither in ordinary course of business nor at arms' length. Besides, the first proviso to the Section read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 shall mean an Ordinary Resolution to be passed at a meeting of the Shareholders, only where the transaction(s) exceed a limit of 10% of the turnover of Company as the case may be. It is in addition thereto that Regulation 23 of SEBI LODR Regulations makes mention of Material Related Party Transactions which require an approval of the Shareholders at the General Meeting.

The Company in pursuance of the provisions under SEBI LODR Regulations, 2015 takes omnibus approval from Audit Committee/Board for transactions intended to be entered, ahead of each financial quarter in a year. These are thereafter placed before the succeeding Audit Committee and Board Meetings for an apprisal/ approval. Though strictly not warranting an approval under the tests prescribed and noted hereinabove at first para, the Indian Accounting Standard 24 (IND AS 24) which acts as a guiding Principle and Regulation, speaks in terms of a control and significant influence over an entity being the deciding factors for ascertaining whether a particular transaction falls under the purview of RPT, thus roping in the transactions entered by the Company with the Subsidiary Company namely Bamni Proteins Limited and the Promoter Company, NGI Japan and NGNA, in the category of Related Party Transactions mandating an approval by the Board of Directors/the General Body of Shareholders as the case may be. The transactions are carried out at arm's length basis with the related parties, resulting in better capacity utilization and thus improvement on the overall margin of the Company, thereby benefitting the Shareholders. Related party transactions are carried out at arm's length price considering the market price, end use application of the product, the relevant volume involved in the transaction and the relevant cost involved in the transaction as compared to a transaction with a related party.

In the light of the above, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its related parties for the period 01.10.2023 to 30.09.2024.

The relevant details are given below in tabular format for Members' approval:

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2023 TO 30.09.2024

(TRANSACTIONS/CONTRACTS CARRIED OUT IN THE ORDINARY COURSE OF BUSINESS)

Name of Related Party	Director/KMP related	Nature of Relationship	Nature of Transaction	Period of Transaction	Maximum value of Transaction (₹ in Lakhs)
Nitta Gelatin Inc., Japan (Promoter)	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc., Japan	Sale of Goods	01.10.2023 to 30.09.2024	18000
	Dr. Shinya Takahashi	Nominee of Nitta Gelatin Inc., Japan	Availing of Service		300
Nitta Gelatin NA Inc., USA (Subsidiary of the Promoter)	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc., Japan	Sale of Goods		12000
	Dr. Shinya Takahashi	Nominee of Nitta Gelain Inc., Japan	Availing of Service		150
Bamni Proteins Ltd. (Subsidiary)	Sajiv K.Menon	Managing Director, Nitta Gelatin India Ltd.	Sale of Goods		8000
	Dr. Shinya Takahashi	Nominee of Nitta Gelatin Inc., Japan			

Members are hereby informed that pursuant to second proviso of Section 188(1) of the Act, no Member of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Member is a Related Party.

The Board of Directors of your Company has approved this item and recommends the Resolution as set out in the notice for approval of Members of the Company as Ordinary Resolution.

Except Promoter Directors (to the extent of shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives is concerned or interested financially, in passing of this resolution.

By Order of the Board
Sd/-
Vinod Mohan
Company Secretary
M.No. F8044

Kochi
29.05.2023

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ APPROVAL OF TERMS OF APPOINTMENT

Name	Mrs. Shirley Thomas	Dr. Shinya Takahashi	Mr. Sajiv K. Menon	Mr. Koichi Ogata
DIN	08586100	07809828	00168228	07811482
Age (Years)	61	64	63	65
Nationality	Indian	Japanese	Indian	Japanese
Date of initial appointment	08.05.2023	09.05.2017	01.04.2014	09.05.2017
Qualification	BSc (Agriculture), Certified Associate of the Indian Institute of Bankers	Bachelor of General Education & Phd from Chiba University-Graduate School of Advanced Integration Science	B. Tech in Chemical Engineering from NIT, Trichy and PGDM (Fin.& Mktg) from IIM, Bangalore	Bachelor of Science, Tohoku University
Expertise	All round Banking experience (37 years) spread over Branch Banking to Network Level Senior Management roles with State Bank of India (SBI).	Had a long tenure as General Manager (QA), Nitta Gelatin Inc., Japan	Managing Director of NGIL for eight years from 01.04.2014. More than 30 years' experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of NGIL on 01.04.2014 and was in NGIL until 31.03.2022. Post completion of his term, he was associated with NGIL as a Non Executive Director	President of NGI, Japan
Other Directorships excluding Foreign Companies	Muthoot Capital Services Limited, BWDA Finance Limited	Bamni Proteins Limited	NIL	NIL
Member/ Chairman of Committees of other Companies	1	NIL	NIL	NIL
Relationship, if any, between Directors, Manager and Key Managerial Personnel interse	NIL	Mr. Koichi Ogata is the President of NGI, Japan and Dr. Shinya Takahashi is the nominee director of NGI, Japan	Mr. Koichi Ogata is the President of NGI, Japan and Mr. Sajiv K. Menon has been nominated as Managing Director by NGI, Japan	Mr. Koichi Ogata is the President of NGI, Japan and Dr. Shinya Takahashi is the nominee director of NGI, Japan
Shareholding in the Company	NIL	NIL	NIL	NIL

* Committee includes Audit Committee and Stakeholders Relationship Committee.

DIRECTORS' REPORT

To

THE MEMBERS OF
NITTA GELATIN INDIA LIMITED

Your Directors have pleasure in presenting the 47th Annual Report and audited financial statements of your Company for the year ended 31st March, 2023.

The Statement of Accounts has been prepared in accordance with Indian Accounting Standards (IND AS) which are applicable to the Company w. e. f. 01st April, 2017 as per the Rules laid down in this regard.

SHARE CAPITAL

The Authorised Share Capital of your Company as on 31st March, 2023 was ₹ 8024.44 Lakhs comprising of 4,00,00,000 Equity Shares of ₹ 10/- each totaling to ₹ 4000.00 Lakhs, 929,412 Optionally Convertible Non-Cumulative Preference Shares (OCPS) of ₹ 170/- each totaling to ₹ 1580.00 Lakhs, 2,00,00,000 Optionally Convertible Non- Cumulative Preference Shares of ₹ 10/- each totaling to ₹ 2000.00 Lakhs and 44,44,444 Redeemable Preference Shares of ₹ 10/- each totaling to ₹ 444.44 Lakhs.

Redemption of Preference Shares: 9,29,412 Optionally Convertible Non-Cumulative Preference Shares of ₹170/- each aggregating ₹ 15,80,00,040/- redeemed on 17.05.2022.

PERFORMANCE

Record Profits & Turnover

The Company recorded the highest turnover and profits in its history during the financial year 2022-23 based on robust demand for all its products and the associated selling price that it could command.

The gross revenue from operations of your Company during the year under review was ₹ 486.75 Crores as compared to ₹ 428.51 Crores in the previous year registering a growth of 13%. Profit before tax was ₹ 78.08 Crores against ₹ 37.61 Crores in the previous year, registering a growth of 108%. There was an increase in sales realisation per unit of Gelatin in line with the global prices with the growth in Gelatin demand worldwide as also the price of the by-product Di Calcium Phosphate. The decrease in price of raw material Crushed Bone and Hydrochloric acid has also helped the Company to record higher profits.

Economic Scenario - Domestic and Global Market

The Indian Pharmaceutical industry plays a prominent role in the global market and ranks 3rd worldwide for production by volume and 14th by value. Indian pharmaceutical market size is expected to reach USD 65 Billion by 2024 and is estimated to touch USD 130 Billion in value by the end of 2030. The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume and is also the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

The global Gelatin market size was evaluated at USD 7.24 Billion in 2022 and is projected to attain around USD 16.93 Billion by 2032, growing at a CAGR of 8.87% during the forecast period 2023 to 2032. The gelatin market is segmented based on application into food & beverage, pharmaceuticals, and nutraceuticals. Among all, the food & beverage segment holds the largest revenue share of around 57% in 2022. Rapidly increasing use of gelatin in bakery products, jellies, marshmallows, yogurt, and other food products has propelled the growth of the food & beverage segment in the market. Growing consumption of health drinks such as meal replacements, protein shakes, and diet supplementary drinks is seen as a major driver for the growth of the global gelatin market. Gelatin is the popular excipient in capsule shells and softgel capsules. Capsules are the second most preferred delivery format after tablets and contributed 12.5% of dosage forms of the new drugs approved by FDA in 2021. The empty capsules market projections estimate the market to rise at a CAGR of 7% during the period 2019 to 2027. The global empty capsules market size is likely to attain valuation of USD 3.7 Bn by 2027, while the global softgel capsules market size was valued at USD 8.2 billion in 2022 & is estimated to grow to USD 14.73 billion by 2030, at a compound annual growth rate (CAGR) of 7.6% from 2022 to 2030 Softgels make up 25 percent of the total market for nutritional supplements and are the second most-prevalent dosage form behind tablets.

The impact of Ukraine war was significant to all industries across the spectrum. For the Indian Gelatin Industry this was favourable due to the drop in production, supply chain issues and the high energy cost in Europe. The increase in demand for many immunity-building products like nutritional supplements was also one of the growth drivers for the higher Gelatin demand all of which helped the Company achieve higher Gelatin unit sales realisation in 2022-23 compared to 2021-22 period.

Collagen Peptide - capacity utilization, new customer development

The global Collagen Peptide market size was valued at USD 897 Million in 2022 and is anticipated to expand at a compound annual growth rate (CAGR) of 5.7% from 2023 to 2028. This is attributable to the rising use of the product in various industries such as cosmetics, which is expected to propel market demand. Additionally, the demand is driven by increasing consumer investment in healthcare and well-being. Moreover, the rising importance of improving immunity post-Pandemic has further strengthened the industry's growth. The global socio-economic dynamics, along with the growing geriatric population, increased budgetary allocation to the healthcare sector, the growing popularity of a preventive approach to lifestyle diseases and the growing nutraceutical segment, have all been complementing the Collagen Peptide products' demand. However, the onset of recession in the second half of 2022-23 impacted the global Collagen Peptide market causing the demand to drop in overseas market particularly North America and Asia though the Domestic and African markets were favourable. The lower sales realisation in these markets caused a decrease in overall sales quantity in 2022-23 period. The Company with its new innovative manufacturing process is trying to control the cost of production and thereby tap new markets for increasing the sales. Our major market segments will be beauty from within, joint health, sports nutrition, general wellness and other new functionalities. High functional Collagen Peptide, Diabetes management Peptides are the new products under development.

Plant utilisation at full capacity

During the year, the Company was able to achieve full capacity utilisation for the Gelatin Plant for the year and the Company has successfully executed de-bottlenecking operations to maximise production.

The Company could not operate Collagen Peptide plant at its full capacity, particularly in the second half of 2022-23. The recession effect in North America and Asian markets caused a significant impact on the health supplement demand. Collagen Peptide being mostly sold as health supplement in these markets, its demand reduced more than 60% causing the lower sales in 2022-23. The Company has already formulated plans to revive Collagen Peptide sales by tapping new markets in South East Asia, Asia Pacific and Europe by offering Improved High functional products.

Raw Material availability

The availability of Crushed Bone (CB), the main raw material of the Company has been stable during the year, though it is still to come to the pre-Pandemic level. The price was under pressure during the financial year due to demand- supply gap of good quality CB.

The following are noteworthy:

- The availability of good quality CB at reasonable cost has been a challenge though. Effective sourcing measures with an eye on improving quality has helped to improve the quality of CB up to a certain extent during the year.
- Company was able to reduce indigenously sourced CB prices by 3.2 % during the year; however the cost of indigenously sourced Gel bone and imported bones increased by 15% and 23% respectively due to strong global demand. The Company could source the required quantity through effective sourcing measures to ensure full utilization of Gelatin Capacity in spite of all these challenges. This has enabled the Company to post robust financial results in the year. Slow movement of Bone meal which is a byproduct of CB also led to a drop in CB processing in certain areas.

  Import of Crushed Bone

  In view of the deteriorating quality and the increase in price of indigenous Crushed Bone/ Gelbone Company has also been making efforts to import CB. The quality of Gelbone from France and New Zealand are at premium level because of the advanced technologies deployed in these Countries for pre-treatment and processing the material. Your Company imported 2000 MT premium quality Gelbone from France and New Zealand in 2022-23 and is also discussing with other Gelbone manufacturers in Brazil for imports this year.
- With the intent of tapping other source markets, a request has been made to the Central Government for liberalizing import of CB from undetermined BSE risk countries as per OIE norm and the same is now under their consideration.
- During the year, the Company took the initiative of partnering with Crushed Bone suppliers for improving the quality of the material by working in close association with them and providing the requisite technology to them for enabling them to supply good quality material. This project is expected to reduce the impurity and other unwanted material content in Crushed Bone to reinforce the supply chain. Once this partnership is successful, this will be replicated with other potential suppliers which will help the Company in improving overall productivity and reducing the cost.
- The price of fish protein – the raw material required for manufacture of Fish Collagen Peptide has decreased by 20% during the course of the year due to low demand of Collagen Peptide worldwide

Higher Di-Calcium Phosphate (DCP) Price Realisation

During the period 2022-23, the Poultry feed market, had both ups and downs. In the first half of 2022-23, due to the increase in cost of poultry feed components coupled with sluggish poultry demand, DCP prices were on a downward trend. During this period, the import of the substitute product Mono Calcium Phosphate (MCP) from China also was at its peak in the range of 6000 MT/month whereby DCP production exceeded market requirement, causing a drop in DCP prices until October. In the second half of 2022-23, the overall sales price realisation from DCP improved whereby we were able to surpass the level that prevailed in 2021-22.

Operations

i) The Company could contract with overseas suppliers for quality Crushed Bones (CB) and this has resulted in maintaining the CB prices static during the year. Acid prices dropped by 140%, significantly reducing the cost of production. The per unit price realization has remained constant for Ossein/Limed Ossein and has gone up by 14% for Gelatin though there was a drop of 3% for Bovine Collagen Peptide in line with global trends for similar products. Prices for Fish Collagen Peptide increased by 7%. The price of raw material, fish protein for Fish Collagen Peptide has recorded an increase of 14%, significantly impacting the margins for Collagen Peptide sales. Price negotiations with raw material suppliers and finished product are on to protect the margins. The weakening of Rupee against USD during 2022-23 as compared to 2021-22 has contributed to better sales realisation on exports.

In the backdrop of this situation, your Company exercised close monitoring and strict control over each significant element of cost and achieved appreciable savings notwithstanding the higher costs incurred due to various reasons as described above. The Company could also achieve economies of scale due to higher volume of production of Ossein, Di Calcium Phosphate and Gelatin. The increased usage of low cost hide as the raw material in place of Crushed Bone helped the Company to control the raw material costs as well as have a better bargaining power with suppliers of CB. There was increase in power cost due to increase in tariff as well as higher production levels but the overall cost could be managed as a result of various cost control measures in both the Divisions of the Company. Though the price of LNG, firewood and furnace oil has increased during the year, cost control measures helped the Company to keep costs under control. India has been affected by the Coal shortage consequent to events in China and Russia. The Company's efforts to create value from wastes by generating gas from residual sludge has further gained momentum during the year with the installation of Anaerobic Digester in Gelatin Division during the year. The operation of sludge dryer substantially reduced the volume of sludge for disposal. Availability and pricing of Coal at Reva Division is posing challenges to manage the costs which might also impact price of alternate fuels like firewood. Factory and Administration overheads increased marginally in line with the overall trend.

ii) The Company could effectively leverage low cost foreign currency loans by negotiating with the Banks and bringing in Banks that provide working capital funds at competitive rates. Interest rates for USD denominated foreign currency loans has gone up with the new framework linked to the benchmark SOFR. The Company is evaluating foreign currency loans in alternate currencies such as JPY etc. to reduce the overall interest costs.

iii) The products of your Company continued to enjoy robust market demand during the year under review. The entire sale of Ossein/Limed Ossein, 47% of the total sale of Gelatin and 60% of Collagen Peptide was through exports. Your Company has arrangement with its overseas Promoter, Nitta Gelatin Inc., Japan to leverage their expertise and market insights in servicing its customers in a proactive manner in line with the global standards of the NITTA Gelatin Group.

iv) The Pollution Control Board has renewed the validity of the Consent to Operate for the Ossein Division upto 30th June 2023. Your Company is taking steps for the renewal of licence by 30th June, 2023 for both Ossein and Gelatin Divisions. Reva Division's Consent to Operate issued by the Gujarat State Pollution Control Board has been renewed and is valid upto 23.05.2026.

Environmental Sustainability

Your Company has always prioritized environmental sustainability as an important indicator to reduce carbon foot print and has taken various measures in this regard.

i) The Company is in the process of retrofitting its boiler at its Gelatin Division for optimizing its steam generating efficiency.

ii) The Company is installing an Anaerobic Digestor for managing the effluent stream in view of the changes in operating parameters.

iii) The Company's rain harvesting pond at its Ossein Division has helped to improve the water table in nearby areas in addition to de-risking the Company from any developments affecting water availability, though to a limited extent.

iv) The Company maintains a Miyawaki forest, an eco system promoting thick growth of trees in a measured area as a part of its commitment to greening of the environment.

v) The Company has installed high efficiency floating aerators in the aeration tank at its Ossein Division to improve aeration efficiency and to avoid settling.

vi) The Company has installed Mixers in the conventional biogas tanks at its Ossein Division to improve biogas generation and to avoid settling of sludge.

vii) The Company continues to develop green belts and has developed 4.09 hectares (42.16%) of green belt in and around the Ossein factory premises out of the 9.7 hectares of total industrial area with varieties of plant species.

FINANCIAL HIGHLIGHTS

The operations of the Company for the year 2022-23 have resulted in a pre-tax profit of ₹ 78.08 Crores (as against a pre-tax profit of ₹ 37.61 Crores during the year 2021-22). Details are as under:

(Amount in ₹ Crore)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Sales (including export incentives and net of GST)	486.75	428.51
Other Income	5.31	5.80
TOTAL	492.06	**434.31**
Net Profit before Depreciation	91.27	51.21
Deducting therefrom:		
Depreciation	13.19	13.59
Provision for Tax -	-	-
- Current Tax	22.76	11.24
- Deferred Tax	(3.44)	(0.22)
Profit after Tax from continuing operations	58.76	26.60
Other comprehensive income/(loss) net of tax	0.09	(2.26)
Total comprehensive profit for the year	58.85	24.34
Profit brought forward from previous year	32.96	9.08
Balance Profit available for appropriation	58.76	26.60
Appropriations :		
Final dividend on equity shares- paid	3.63	2.72
Total	**3.63**	**2.72**
Transfer to General Reserve/Other Reserves	15.80	-
Balance profit carried forward to next year	72.29	32.96
Earnings per share (₹)		
Basic	64.72	29.29
Diluted	64.72	29.29

DIVIDEND

Considering the Company's performance, the Board has recommended a dividend of ₹ 7.5 per share (75% on the face value of ₹ 10/- per share) on the Equity Capital for the year ended 31st March, 2023. The Board has also recommended dividend @5.4029% p.a. on the 929,412 Optionally Convertible Preference Shares of face value of ₹ 170/- each till the date of repayment on 17.05.2022 (47 days) and a dividend @7.65063% on the 44,44,444 Redeemable Preference Shares of the face value of ₹ 10/- each for the year ended 31st March, 2023. This dividend payment is out of the current year profits of the Company and is subject to approval of the members at the ensuing Annual General Meeting.

The total outflow on account of dividend will be ₹ 725.93 Lakhs (₹ 482.54 Lakhs in the financial year 2021-22) comprising of ₹ 44.99 Lakhs on Preference Shares

(₹ 119.37 Lakhs in the financial year 2021-22) and ₹ 680.94 Lakhs on Equity Shares (₹ 363.17 Lakhs in the financial year 2021-22).

During the year, unclaimed dividend of ₹ 2,96,177.50 pertaining to the year 2015-16 shall be transferred to the Investor Education & Protection Fund after giving due notice to the members.

RESERVES

The Company has transferred an amount of ₹ 1580.00 Lakhs as capital redemption reserve upon repayment of the Convertible Preference Shares during the year as part of the requirements of the Companies Act, 2013. The Company has recognized capital reserves amounting to ₹ 2,750.62 Lakhs on account of the merger (including deferred tax asset on the unabsorbed business loss of Reva Proteins Ltd. carried over from previous years as per tax books for an amount of ₹ 1,609 Lakhs) and other appropriate adjustments.

Reserves as on 31.03.2023 comprises of Security Premium Reserve of ₹ 2895.90 Lakhs, equity contribution on External Commercial Borrowings and Preference Share Capital ₹ 984.43 Lakhs, Special Export Reserve of ₹ 79.00 Lakhs, General Reserve of ₹ 7,836.64 Lakhs, Capital Redemption Reserve of ₹ 1580 Lakhs, Retained earnings of ₹ 7229.29 Lakhs, Capital Reserve of ₹ 2,750.62 Lakhs and other comprehensive loss of ₹ 269.48 Lakhs aggregating to ₹ 23086.40 Lakhs.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

Details in respect of other loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes on accounts for the financial year ended 31st March, 2023 and such loans, guarantees and investments are within limits prescribed under that Section.

CREDIT RATING

During the year, rating agency CRISIL has reaffirmed the rating of CRISIL A- and revised its rating outlook as Stable for Long Term Instruments and reaffirmed CRISIL A2+ rating for short term instruments.

AWARDS & ACCOLADES

During the year, NGIL received various recognitions as under:

a) Team from Ossein Division won the First prize under medium scale supervisory category in 7th Continuous improvement Kaizen competition 2022 by CII.
b) Team from Gelatin Division won Silver Recognition under medium scale supervisory category in 7th Continuous improvement Kaizen competition 2022 by CII.
c) Team from Ossein Division won First prize (Rhodium) Team from Gelatin Division won Gold Recognition)in 5th National Convention on Innovative Quality Circle organized by ASA Kerala (Alumni Society of AOTS).
d) Two Silver recognitions under Restorative Category in 44th CII National Kaizen Competition.
e) Team from Gelatin Division won SILVER recognition in SEEM National Energy Management Award 2021.
f) Significant Achievement award from CII for TPM implementation in Gelatin and Ossein Divisions.
g) Special Recognition under Environment & Greenery category by KMA CSR Awards 2023.
h) Gold Recognition from CII for BE maturity assessment.

The following prestigious certifications are retained by your Company:-

(a) European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division.
(b) CAPEXIL plant approval certificate for Ossein Division, Gelatin Division and Reva Division for the export of Ossein, Gelatin and Collagen Peptide.
(c) HACCP Certificate for Ossein Division for food safety.
(d) ISO 9001: 2015 for Quality Management System of the Company.
(e) FSSC 22000 V.5 Certification for Food Safety Management System for Gelatin Division.
(f) FSSAI Certification for manufacturing, import/ export/retail/e commerce of Gelatin, Collagen Peptide, Collagen Peptide retail products.
(g) WHO GMP Certification as per World Health Organisation/Codex for manufacture of Gelatin & Collagen Peptide.
(h) USDMF for Gelatin (Gelling & Non-gelling grade).
(i) Chinese DMF for Gelatin.
(j) Halal (MUI, IFANCA & JUM)/Kosher Certification for Gelatin and Collagen Peptide – JUM Halal for Ossein & Dicalcium Phosphate.
(k) NABL Accreditation for in-house laboratory of Gelatin Division.
(l) ISO 14001:2015 for Gelatin Division for Environment Management System.
(m) ISO 45001:2018 Certification for Occupational, Health and Safety Standards for Gelatin Division and Ossein Division.
(n) ISO 50001:2018 Certification for Energy management system for Gelatin Division & Ossein Division.
(o) Company's Gelatin Division & Ossein Division have passed the recent TPM Certification Assessment-2022 of SIGNIFICANT ACHIEVEMENT.

The following prestigious certifications are retained by your Company:-

(a) European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division
(b) CAPEXIL plant approval certificate for Ossein Division, Gelatin Division and Reva Division for the export of Ossein, Gelatin and Collagen Peptide
(c) HACCP Certificate for Ossein Division for food safety
(d) ISO 14001:2015 for Gelatin Division for Environment Management System
(e) ISO 9001: 2015 for Quality Management System of the Company
(f) FSSC 22000 V.5 Certification for Food Safety

Health, Safety and Environment

Compliance with relevant regulations and effective management of related issues is integral to the Company's philosophy.

1. Health and Safety

The Company is committed to protecting the health and safety of its employees. In addition to the Head (Health, Safety & Environment), each plant has a Safety Officer and Safety Committees comprising of workmen and executive representatives. The Committees meet regularly to review issues impacting plant safety and employee health. Regular health checkup of the employees is carried out through tie-up with reputed hospitals. Various training programs are conducted at the plant on health and safety issues including emergency preparedness, work safety, first aid, etc. Both Ossein and Gelatin factories have received the ISO 45001-2018 certification, which is a testimony to the Company's commitment in this area.

The following were the major activities carried out during the year:-

- Plant operations of all units are being done as per government guidelines strictly adhering to COVID19 protocol.
- Surveillance audit of ISO 45001-2018 completed at both Ossein Division and Gelatin Division
- Fire license renewed at Ossein and Gelatin Divisions
- Various training programs were conducted to improve employee safety and health awareness.
- A free Counselling and Support Service is in place for Nitta family members.
- Safety day/week celebrations were held at Ossein, Reva, and Gelatin Divisions.
- Mock drills were conducted for equipping the employees for handling emergencies at Ossein, Reva, and Gelatin Divisions.
- As part of the TPM (SHE pillar), various safety improvement initiatives and their reviews were conducted at OD & GD.
- External safety audit was conducted through M/s BVQ at both GD and OD.
- An ergonomic study was conducted at some of the workstations and correction was initiated.

2. Environment

The Company continuously endeavors to enhance Environmental Management and demonstrates its commitment to protect the environment. The factories of the Company are equipped with modern effluent treatment plants for treating and discharging treated water with parameters well within the norms laid down by the respective State Pollution Control Boards. The emissions from the boilers and generator stacks are regularly monitored for compliance. Solid waste from operations is collected in a secure manner and disposed of in authorized locations. Ambient air quality is monitored on regular basis and its compliance ensured with the norms. Our ETP operations have been reinforced with the introduction of new equipment and technologies. Various energy-saving measures and efficiency improvement activities were taken up during the year that reduced the consumption of fuels. Action plans have been drawn up to reduce the consumption of water in the coming years. In the case of solid waste reduction, the Company follows a structured action plan. A polymer house based facility using solar energy has been developed at the Company's Gelatin Division for drying the sludge emanating out of the operations leading to lower operating costs and carbon print. With a view to reducing the greenhouse effect, the Company is focusing on greenery development at all its locations.

The following were the other initiatives taken in this regard:

- Surveillance audit of ISO 14001-2015 completed for Gelatin Division.
- ISO 14001-2015 certification procedures were initiated in the Ossein division.
- Environmental day celebrations conducted at Ossein, Reva, and Gelatin Divisions.
- An anaerobic digester was installed in the Gelatin Division in the effluent stream for converting effluent (biomass) to biogas reducing fossil fuel consumption and solid waste generation.
- Boiler retrofitting was introduced in the GD boiler, to improve fuel efficiency and the work environment.
- Discussion of converting sludge to biogas in Gelatin Division was initiated to further reduce solid waste from plant operations.
- Solar lighting installation is in progress.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has formulated a well-structured Policy aimed at providing focus and direction to the various activities on CSR. The CSR Policy can be accessed on the Company's website in the below link.

https://gelatin.in/uploads/homecontent/CSRPOLICY_20230210052849.pdf. The CSR projects undertaken by the Company, in accordance with Schedule VII of the Companies Act, 2013, are presented in **Annexure I.**

The CSR expenditure of ₹ 58.02 Lakhs incurred by the Company during the year, was in compliance with the statutory requirement of 2% of the average profit for the last three years amounting to ₹ 46 Lakhs. The Annual Report on CSR activities is annexed herewith as **Annexure I**. The Company shall carry forward the excess amount of CSR spent amounting to ₹ 12.02 Lakhs to next year towards CSR expenses as per the provisions of Companies Act.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the financial year 2022-23.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Neither an application made by the Company nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There were no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

Not applicable

SUSTAINABILITY

Contributing to sustainable development has always been the core ethos of all the operations & business decisions of your Company and has become an even more important element of the overall corporate strategy. We stand committed to the path of Profitable, Sustainable, and Socially Responsible Growth, keeping in mind the interests of all our Stakeholders. We aim to grow and achieve higher Stakeholders returns and in the process, will ensure an increased positive impact on the environment and the society at large and constantly endeavor to enhance our performance and optimize efficiency across the environmental, social and governance aspects. We encourage involvement of all Stakeholders and ensure that our sustainability framework policies are well communicated, implemented, monitored, and reviewed regularly.

We are and will continue to be increasingly focused on sustainable and socially responsible corporate behavior in everything we do. Our approach mainly centers around the following pillars:

- **Environmental Sustainability**

Reduction in consumption of water, solid waste, power, fuel and plastic.

- **People Sustainability**

Employees safety, health, development, engagement, rewards and recognition.

- **Social Sustainability**

Corporate Social Responsibility (CSR): Education, training, health, women, sports, agriculture and waste management.

- **Economic sustainability**

Cost reduction, procurement practices and growth initiatives.

Our goal is to set an example for the Gelatin Industry in India in particular and industry in general for world-class sustainability practices. The raw material sources for Gelatin and Collagen Peptide are the by-products from the meat and farmed fish processing industries, which are generally considered as well managed, natural, and renewable resources. Collagen and its derived products are pure, natural proteins and contain neither preservatives nor other additives. They are thus natural and healthy food with a clean label that optimally meets consumer needs in terms of application and sustainability. As such, Gelatin can be considered as a product with a positive impact on overall sustainability since it is part of the circular economy of the Meat Industry.

Sustainable development is an integral part of our business strategy and we ensure that it is built into the complete business cycle-product development, new markets, capital projects, operational management and ultimately product end-use. Health and safety, social and governance issues are built into all stages of the asset life cycle, which help in serving our customers and all Stakeholders over a longer term, wherever they are across the world.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In accordance with the SEBI LODR Regulations, the Company's policy on materiality of Subsidiaries specifying the criteria for determining the Material Subsidiaries appears in the Company website www.gelatin.in. As per such criteria, the Company's Subsidiary - Bamni Proteins Limited is a Material Subsidiary as on 01st April, 2022.

SUBSIDIARY COMPANY

BAMNI PROTEINS LIMITED

The annual production during the year in this Subsidiary Company was 2703 MT of Ossein and 6103 MT of Di-Calcium Phosphate as against 2652 MT of Ossein and 6018 MT of Di-Calcium Phosphate during the previous year.

The operation of this Subsidiary for the year under review has resulted in a pre- tax profit of ₹ 2634.07 Lakhs (₹ 1452.30 Lakhs in the previous year), post-tax profit of ₹ 2033.29 Lakhs (₹ 1091.69 Lakhs in the previous year) and other comprehensive loss of ₹ 2.45 Lakhs (loss of ₹ 7.81 Lakhs during the previous financial year).

In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company and its Subsidiary Company have been prepared, which is forming part of the Annual Report.

The statement containing the salient features of the financial statement of the Subsidiary under first proviso to Sub-Section (3) of Section 129 of the Act in Form AOC I is attached as **Annexure II**.

In accordance with fourth proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company containing therein its standalone and consolidated financial statements have been uploaded on the website of the Company, www.gelatin.in. Further as per the fourth proviso of the said section, the annual accounts of the Subsidiary Company and the related detailed information have also been uploaded on the website of the Company, www.gelatin.in.

Annual accounts of the Subsidiary Company and related detailed information shall be made available for inspection to the Shareholders of the Company and Subsidiary Company seeking such information at any point of time at the Registered Office of the Company and Subsidiary Company concerned. Hard copy of details of accounts of Subsidiary shall be furnished to any Shareholder on demand. Further, pursuant to Indian Accounting Standard IND AS 110 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include the financial information of its Subsidiary.

STATUTORY AUDITORS' REPORT

Qualification on the internal audit systems in the Reva Division of the Company as referred to in the Consolidated Auditor's Report has been properly addressed by the Company by appointing a reputed firm of Chartered Accountants having significant internal audit experience which is expected to cover the enhanced reporting requirements as envisaged.

SECRETARIAL AUDITORS' REPORT - EXPLANATION TO OBSERVATIONS OF AUDIT

As prescribed under Section 204(1) of the Act, the Company has received the Secretarial Audit Report. The observations made therein and the corresponding explanations are given below:-

Sl. No.	Observations	Management Reply
1	On inspection of the 271st Board Minutes held on 05.08.2022, it is found that the Company has made direct political contributions to the tune of ₹ 5,000 during the FY 2022-23 and ₹ 7,500 during the FY 2021-22 not in compliance with Section 182 of the Companies Act, 2013. Further, indirect political contributions to the tune of ₹ 2,000 and ₹ 5,000 are also made during the FY 2022-23 and FY 2021-22 respectively not in compliance with Section 182 of the Act. The Company is advised: a. to carry out political contributions both direct and indirect only with the approval of the Board and b. to report the total amount of ₹ 7,000 as political contribution under FY 2022-23 and ₹ 12,500 under FY 2021-22 in the Statement of Profit and Loss for the financial year ended 31st March, 2023 as envisaged under Section 182 of the Companies Act, 2013 .	The Board had approved the political contribution at its meeting held on 05.08.2022. In future, political contribution, if any, shall be made only with the approval of the Board of Directors. The amount has been recorded in the financial statements.

2	There was 19 days of delay in redeeming the 929412 Optionally Convertible Preference Shares of ₹ 170 each allotted to Nitta Gelatin Inc, Japan, the promoter of the Company resulting in their continuance as Preference Shareholder after due date which has larger implication of inviting preferential rights. The Company is advised to redeem the preference shareholding in time in future.	This was due to the time taken for the completion of the necessary procedural formalities including certification from an independent professional and the time taken by the Authorised dealer bank for processing the documents required.

COLLABORATORS

The Collaborators of your Company continue to be the reliable source of support and guidance for the Company in its key initiatives. Their support in areas like technology, product development, marketing, quality improvement and training of personnel, apart has contributed significantly to the growth of the Company. Nitta Gelatin Inc., Japan has provided considerable support both by way of technical guidance and financial support for the scheme of revival of its Reva Division. Kerala State Industrial Development Corporation Ltd., the other Promoter is equally supportive for development of your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure III.**

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as **Annexure IV** to this report.

The Annual Report excluding the details of employees receiving remuneration in excess of the limits prescribed under Section 197 of the Companies Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the Shareholders of the Company in terms of first proviso to Section 136(1) of the Act 2013. The annexure is available for inspection at the Registered Office of the Company during business hours and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

INTERNAL CONTROL SYSTEM

ADEQUACY OF INTERNAL CONTROL SYSTEMS

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year. The internal control systems operate through well documented Standard Operating Procedures, policies and process guidelines. These are designed to ensure that transactions are conducted and authorized within defined authority limit commensurate with the level of responsibility for each functional area. The Company's accounting and reporting guidelines ensure that the transactions are recorded and reported in conformity with the generally accepted accounting principles.

The Company has engaged a professional firm of Accountants with long years of experience to carry out the internal audit function. The management has not imposted any limitation on the scope and authority of the internal audit function. The internal audit function evaluates the efficacy and adequacy of internal control systems, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. To maintain its objectivity, effectiveness and independence, internal audit is being carried out on a quarterly basis and reports thereon, along with the remarks of the process owners on each of the observations of audit are placed before the Audit Committee of the Board. The Audit Committee reviews each of the Internal Audit reports as a separate item of agenda along with the internal/ statutory auditors and the management representatives wherein the Committee gives its advice/suggestions on the audit points. Based on the report of the internal audit as well as the observations of the Audit Committee, the process owners undertake requisite corrective action in their respective areas thereby further strengthening the control systems. Action Taken Reports are also reviewed by the Audit Committee for each actionable item. The minutes of the Audit Committee are reviewed by the Board of Directors.

INTERNAL CONTROLS OF FINANCIAL REPORTING

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested by the management and no reportable material weakness in the design or operations was observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Company has adopted accounting policies which are in line with the Accounting Standards and the Companies Act and with the generally accepted accounting principles in India. Changes in policies, if required, are made in consultation with the auditors and are approved by the Audit Committee.

The Board is of the view that appropriate procedures and controls are operating effectively and monitoring procedures are in place.

RISK MANAGEMENT

The Board of Directors of the Company has entrusted the management of the Company to evaluate and manage various risks faced by the Company and appropriately apprise the Board/Audit Committee periodically. Accordingly, the management has constituted a Risk Management Committee comprising of Senior Management personnel to develop and implement a Risk Management Policy including identification therein of elements of risks which in the opinion of the Management and the Board may impact the operations of the Company. The Board of Directors reviews the evaluation of risks and the mitigation measures taken by the Company in managing such risks to sustain the operations of the Company for the foreseeable future. Some of the key risk areas identified for mitigation and corrective action include:

- Crushed Bone availability and pricing patterns
- impact of the high cost of crushed bone on the cost of production
- safety and security policies of the Company
- succession planning for key executives
- impact of the National Green Tribunal's Orders
- significant litigation against the Company having material financial impact
- moves of competitors
- water scarcity for operational requirements
- emergence of alternate substitutes for the products of the Company
- adverse forex rate fluctuations
- risk of losing pricing premium commanded by the Company due to emergence of alternate Halal certifications
- sludge reduction
- Potential loss of fish CPT business in India due to non- availability of raw material within India

MATERIAL POST BALANCE SHEET EVENTS

There are no material post balance sheet events which require adjustments in accounts as per the provisions of the accounting standards.

APPLICABILITY OF COST AUDIT REQUIREMENTS

As per the Company's (Cost Records and Audit) Rules 2014, the Company's products are not covered under Cost Audit and the Company maintains the relevant cost records for the products for which the maintenance of cost records is required as per the above Rules.

PROCESS REVIEW/FORENSIC INVESTIGATION

The management has identified an alleged wrong doing by an employee in the stores section of the Company in connivance with vendor/vendors pertaining to weighment of the raw material-Crushed Bone.

BDO India LLP was entrusted to do a forensic investigation, the scope of which inter alia was to examine the end to end process for sourcing of Crushed bone which is a raw material of the Company.

During the course of inspection during 1st April 2022 till 30th September, 2022, the analysis of differences in the quantities of Crushed Bone- raw material received as per manual palletization sheets and the Avery/SAP Data indicated an estimated financial loss of ₹ 58.43 lakhs to the Company in respect of the transactions.

During the period - March 2021 till March 2022, the total estimated loss in the absence of palletization sheets which has been arrived at on approximation (based on the data for the period from 1st April 2022 to 30th September, 2022) was ₹ 142.4 Lakhs. The quantification of the difference noted in the weighment for the period March 2021 to March 2022 was based on the invoices identified by the management as relating to the identified vendor for the said period.

The loss has already been accounted as the Company account consumption based on the recorded quantity of receipt, due to which there will not be any revision in the approved Financial Statements of the Company.

The Company will be continuing its efforts for the recovery of money from the delinquent employee and the Vendor with the assistance/guidance of police authorities/ other regulatory agencies and will be pursuing other legal proceedings in accordance with the advice of the lawyers.

Additional validation procedures have been brought in to confirm the weighment quantity before the release of payment to the suppliers.

RESPONSIBILITY STATEMENT OF DIRECTORS

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

a) that in the preparation of the annual accounts for the year ended 31st March, 2023, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b) that they had selected such accounting policies as mentioned in Note No. 2 of the notes to the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the profit of the Company for the year ended on that date;

c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that they had prepared the annual accounts on a going concern basis;

e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and

f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

The Company has formulated a policy on Related Party Transactions which is in line with the relevant provisions of the Companies Act as well as SEBI (LODR) Regulations. The said policy as approved by the Board is available in the Company website www.gelatin.in. As per the said policy, prior omnibus approval of the Audit Committee is obtained on a quarterly basis for all the Related Party Transactions which are of a foreseen and repetitive nature. All Related Party Transactions that have taken place actually are subsequently reviewed by the Audit Committee on a quarterly basis in comparison with the conditions of omnibus approval and are recommended to the Board for approval. Additionally, material Related Party Transactions foreseen in the year ahead were approved by the members. Particulars of contracts of arrangements with Related Parties referred to in sub section 1 of Section 188 read with Rule 8(2) of the (Companies Accounts) Rules, 2014 are attached in Form No. AOC 2 as **Annexure V.**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR) Regulations is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (LODR) Regulations. A separate section on corporate governance under the Regulation, along with a certificate from the Auditors confirming the compliance, is annexed and forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Indian Accounting Standards IND AS 110 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the SEBI (LODR) Regulations 2015 and form part of the Annual Report.

DIRECTORS

Mr. Philip Chacko M was appointed as Managing Director of the Company on 01.04.2022 in place of Mr. Sajiv K. Menon whose term of office has expired on 31.03.2022. Mr. Sajiv K. Menon was appointed as Non-Executive Non-Independent Director on 06.05.2022 to make use of his wide experience across industries and also his experience in the Company. Prof. Dr. M.K. Chandrasekharan Nair was appointed as an Independent Director on 06.05.2022. The Board is of the opinion that Dr. MKC Nair possess integrity, relevant expertise and experience which will benefit the Company in the long run.

Mr. M. G Rajamanickam IAS ceased to be Nominee Director on 04.08.2022 upon withdrawal of his nomination by KSIDC. Whereafter, Mr. S. Harikishore IAS was appointed as Nominee Director on 04.08.2022 by KSIDC.

The Board of Directors had constituted a Nomination and Remuneration Committee (NRC), which has the following members as on date:-

1. Mr. E. Nandakumar
2. Mr. Yoichiro Sakuma
3. Mrs. Radha Unni

The terms of reference of the NRC are as follows:-

1. The NRC shall identify persons who are qualified to become Directors who may be appointed in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

2. The NRC formulates the criteria for determining qualifications, positive attributes and independence of a Director for recommending to the Board and also a policy relating to the remuneration for the Directors, Key Managerial Personnel and senior management personnel meaning thereby employees of the Company who are members of core management excluding Board of Directors. This would comprise all members of management one level below the Executive Directors, including all functional heads.

3. The NRC formulates the Remuneration policy to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate personnel as are herein referred at (2) above of the capability required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Whole-time Directors, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the

working of the Company and its goals.
The policy has been disseminated in the Company website: https://gelatin.in/uploads/homecontent/NOMINATION%20AND%20REMUNERATIOJN%20POLICY_20221128064418.pdf

AUDIT COMMITTEE

The Company has an Audit Committee consisting of the following members:

1. Mr. V. Ranganathan (Chairman)
2. Mrs. Radha Unni
3. Mr. E. Nandakumar

There were no instances where the Board had not accepted any recommendation of this Committee.

More details on the committee are given in the Corporate Governance Report.

INDEPENDENT DIRECTORS

Independent Directors of the Company had given declaration stating that they conform to the criteria prescribed for an Independent Director as mandated by the relevant regulatory prescription viz, Section 149(7) of the Companies Act and Regulation 25 of the SEBI LODR Regulations, 2015.

KEY MANAGERIAL PERSONNEL

Rule 8(5) (iii) of Companies (Accounts) Rules, 2014 prescribes that Report of Directors should contain details of Directors and Key Managerial Personnel. Therefore, in addition to the details of Directors hereinabove given, it is brought to the notice of shareholders that Mr. P. Sahasranaman continues as Chief Financial Officer (CFO). Mr. G Rajesh Kurup retired from service on 31.05.2022, whereafter, Mr. Vinod Mohan was appointed as Company Secretary on 01.06.2022.

BOARD EVALUATION

The Companies Amendment Act, 2015 prescribes that there shall be a meeting of Independent Directors during each of the financial years. Accordingly, the Independent Directors who met on 15.03.2023, evaluated the performance of the Non-Independent Directors and the Board as a whole, followed by the review of the performance of the Chairman. The evaluation found that the Non–Independent Directors are playing an active role in the Committee and the Board deliberations.

MEETINGS

The Board of Directors met 5 (Five) times during the financial year 2022-23 on 06.05.2022, 05.08.2022, 09.11.2022, 02.01.2023 and 08.02.2023. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report. The intervening time gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report genuine concerns, while providing for adequate safeguards against victimization, providing direct access to Chairperson of Audit Committee, the details regarding which have also been given in the Company's official website.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working and associating with the Company, through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. A four member Internal Complaints Committee (ICC) is constituted with three lady employees and one lady NGO member. ICC is responsible for redressal of complaints relating to sexual harassment, as envisaged under the provisions of Act and Rules. Hitherto no complaints were received by ICC.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees who have access to unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

STATUTORY AUDITORS

M/s. Walker Chandiok & Co. LLP (WCC LLP) Chartered Accountants (Firm Registration No. 001076N/500013) who were appointed as Statutory Auditors of the Company for a 5 year term at the Annual General Meeting in the year 2017 were reappointed by the Board of Directors at its meeting held on 07.02.2022 on the basis of recommendation of Audit Committee and shall hold office from the conclusion of the 46th Annual General Meeting till the conclusion of the 51st Annual General Meeting of the Company to be held for the Financial Year ended March 31, 2027 subject to the approval of the members at the General Meeting. The item regarding the reappointment of Statutory Auditors is put up for transaction at the forthcoming Annual General Meeting and the Notice for the Meeting makes a reference of the same as part of Ordinary Business.

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. Abhilash Nediyalil Abraham. (CP No. 14524, M. No. F10876), Company

Secretary-in-practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure VI.**

ANNUAL RETURN

The Company has a website https://www.gelatin.in where the annual return of the Company will be published complying with the provisions of Section 134 (3) (a) of the Companies Act 2013.

ACKNOWLEDGEMENT

Your Directors are thankful to the esteemed Shareholders for their continued patronage and the confidence reposed on the Company and its management. Your Directors place on record its sincere appreciation for the support and assistance extended by the State Government and Kerala State Industrial Development Corporation Ltd. The Board takes this opportunity to extend their whole hearted gratitude to M/s. Nitta Gelatin Inc., Japan, for their timely and valuable guidance and inspiration. Your Board places on record its sincere appreciation for the significant contributions made by employees across the Company through their dedication and commitment during a very challenging year. On this occasion, your Board thanks all the customers, suppliers, bankers and other associates for their unstinted co-operation

Sd/-

APM MOHAMMED HANISH IAS
CHAIRMAN
DIN: 02504842

Kochi
08.05.2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Gelatin is a nearly odorless and colorless ingredient in producing edibles, medicines, and cosmetics. Gelatin is mostly extracted from animal tissues (fish, cattle, pigs, or chicken) that contain high amounts of Collagen. Gelatin is not available in nature; it is derived by hydrolyzing Collagen. Pharmaceutical companies widely use Gelatin for capsules and as a gelling agent in the food & beverage and cosmetic industries. Gelatin is a mixture of proteins and Peptides made from Collagen. Gelatin has multiple qualities, such as binding, film forming, and sol-gel.

Gelatin contains several antioxidants that protect healthy cells in the body and keeps the digestive tract healthy with the presence of glutamic acid in it. The cosmetic industry uses Gelatin in various products such as face creams, lipsticks, sunscreen lotions, bath scrubs, and body creams. Gelatin acts as an excellent gelling agent in cosmetic products, which has resulted in increased demand for Gelatin. Gelatin is free of any preservatives or chemicals; thus, it is a preferred clean-label product.

The global Gelatin market is projected to grow during the forecast period of 2023-2032 due to the rising demand for Gelatin in the cosmetics, drug, and food industries. Growing awareness for clean-label products among the population has surged the growth of the industry. The demand for well-being products and nutritional supplements for better health care has increased after the uncertain spread of the Coronavirus. This demand has resulted in the invention of new supplement products in the market, which has shown significant growth for the Gelatin market. The widespread market of Gelatin across the globe results from a huge demand for Gelatin in various products. Increasing demand for packed or ready-to-eat food is a major driving factor for the market. Along with this, the increasing utilization of Gelatin in skin care, beauty, and other cosmetic products has fuelled the growth of the market. Using Gelatin in personal care products such as hair and skin care products will drive consumer inclination. Gelatin, due to the presence of protein sources, is used in nutrition products. Growing consumption of health drinks such as meal replacements, protein shakes, and diet supplementary drinks is seen as a major driver for the growth of the global Gelatin market.

The global Gelatin market size was evaluated at USD 7.24 Billion in 2022 and is projected to reach around USD 16.93 Billion by 2032, growing at a CAGR of 8.87% during the forecast period 2023 to 2032. Gelatin is the popular excipient for capsule shells and softgel capsules. Capsules are the second most preferred delivery format after tablets and account for 12.5% of dosage forms of the new drugs approved by FDA in 2021. The empty capsule market projection estimate the market to rise at a CAGR of 7% during the period 2019-2027. The global empty capsules market size is likely to attain valuation of USD 3.7 Billion by 2027, while the global softgel capsules' market size was valued at USD 8.2 Billion in 2022 and is estimated to grow to USD 14.73 Billion by 2030, at a CAGR of 7.6% from 2022 to 2030. Softgels make up 25% of the total market for nutritional supplements and can be used to deliver oils and oil-soluble materials, such as Omega-3s, Vitamin E and Carotenoids and offer advantages in tolerability, ease of swallowing, assimilation and potency. Great strides have been made with challenges such as oxidation, shelf stability and cost-effectiveness in the quality of Gelatin.

Although animal Gelatin-based shells are most common, vegetarian alternative are also on the rise. Increasing veganism among the population is a major restraining factor for the market, as Gelatin is derived from animal tissues and the concept of veganism does not allow the consumption of products like Gelatin of animal origin. Furthermore, the increased availability of alternative products for Gelatin, such as petcin, agar-agar & HPMC has negatively affected the market's growth.

The global Collagen Peptide market size was valued at USD 897 Million in 2022 and is anticipated to expand at a CAGR of 5.7% from 2023 to 2028. This is attributable to the rising use of the product in various industries such as cosmetics, which is expected to propel market demand. Additionally, the demand is driven by increasing consumer investment in healthcare and well-being. Moreover, the rising importance of improving immunity post-pandemic has further strengthened the industry's growth. The global socio-economic dynamics, along with the growing geriatric population, increased budgetary allocation to the healthcare sector. The growing popularity of a preventive approach to lifestyle diseases and the growing nutraceutical segment, have been complementing the demand for Collagen Peptide products.

The COVID-19 Pandemic, global lockdown and quarantine measures have led to a change in consumer buying habits. On one hand, this change has impacted negatively on retail sales, with some health categories seeing a short-term decline in growth. On the other hand, however, it's had a positive effect on the sales of vitamins and dietary supplements, with a strong focus on immunity and prevention. Further, Collagen Peptide is one of those ingredients which has gained an excellent reputation in the market among food innovators, finding novel ways to make it accessible to an even wider audience owing to its functional benefits.

Collagen Peptide is also blended in various drinks, shakes, smoothies, and ice creams to give an anti-inflammatory protein boost, as the ingredient has the tendency to dissolve in the cold liquid medium easily. Collagen Peptide has good organoleptic properties, taste, and is odor-free, while at the same time enabling the food product to maintain its organoleptic characteristics. It is used in various formulations due to its property to mix and blend with other food forms.

Segment-wise Performance

Gelatin demand in India has shown growth for pharmaceutical applications due to growth in the pharmaceutical industry. The Company was able to operate its Gelatin plant at more than its rated capacity during the year 2022-23.

Though the effects of COVID-19 as well the issues post the Ukraine war affected all industries across the spectrum, the Company has witnessed a robust demand for its Gelatin. As the Indian Gelatin industry caters to the pharmaceutical and nutraceutical sectors, there is a strong demand for Gelatin. The increase in demand for many immunity-building products like nutritional supplements is one of the growth drivers for the surging Gelatin demand. Drop in production of certain raw materials and supply chain issues in Europe have also positively contributed in demand growth for Bone Gelatin. The increase in demand for many immunity-building products like nutritional supplements is one of the growth drivers for the surging Gelatin demand.

The domestic market for Gelatin and Collagen Peptide was on the uptrend causing an improved sales over the period in this market. However, the onset of recession in the second half of 2022-23 impacted the global Collagen Peptide market causing the demand to come down in overseas market particularly North America and Asia.

Exports

Export of Ossein to Japan in 2022-23 quantity wise was almost equal to previous year due to stable requirement of the raw material for Gelatin. Ossein Export revenue increased vis-a-vis previous year due to better market prices. In the case of Gelatin, exports for the year grew compared to previous fiscal due to higher demand and market prices. Collagen Peptide export revenue was lower than the previous year due to the economic slowdown in some markets.

Domestic Market

The domestic demand for Gelatin is showing high growth trend as India is strengthening its identity as a pharma manufacturing hub for the World. The competition from imports was higher especially from Chinese based cheaper Gelatin. We were able to increase the domestic sales of both Gelatin & Collagen Peptide in 2022-23. For our DCP, the poultry industry saw both ups and down during 2022-23 as there were spikes in feed prices leading to demand fluctuations. First half of 2022-23, Di Calcium Phosphate (DCP) demand was lower and there were pricing pressures. In the second half, market condition improved and DCP price realization was higher which helped the Company to improve upon the revenue compared to last year.

Opportunities and Challenges

Growing Pharma Market in India

As the Pharma sector grows, Gelatin demand is likely to continue hand in hand. Gelatin is a preferred excipient for the Pharma industry. Gelatin capsule industry consumes roughly 70-75% of all bovine bone Gelatin production in India and as per the latest estimates about 750 Billion Gelatin capsules, both soft and hard, were produced.

Indian pharma companies are focusing on regulated markets and such markets demand capsules of excellent quality and dissolution properties. Hence there is high demand for Gelatin manufacturers who are focusing on providing superior quality Gelatin. The endeavor to make special grade of Gelatin has given birth to products like Gelatin with reduced cross linking for long shelf life capsules, Gelatin for capsules with faster and delayed disintegration properties, Gelatin for enteric capsules etc. Manufacturers are continuing their efforts to add value to Gelatin in line with the emerging industry trends.

Expanding Indian Nutraceutical Industry

The nutraceutical industry in India is poised to achieve the 100 Billion-dollar dream. The year 2016 turned out to be the year that the nutraceutical industry began to take off in India and both the trajectory as well as the industry have since undergone impressive changes. Apart from an impressive trajectory, the industry underwent a holistic change, underpinned by science. This resulted in a surge in clinical trials with consumers, finally validating the claims of the producers. The change is now irreversible, and the shift is positive. Market accessibility was another factor to the industry's growth. The biggest game changer was an increase in the overall number of Indians consuming basic nutraceuticals during the Pandemic. The 'Nutraceutically Dormant' Indian community had finally woken up and so had the industry.

International companies want to access the Indian market swiftly and responsible evidence-based nutrition is at the center of all these conversations. International Trade Administration, Department of Commerce, United States report estimates that Indian Nutraceutical market is expected to reach USD 18 Billion by 2025.

Growth and establishment of Nutraceutical industry in India is likely to support growth of Collagen Peptide business. Collagen Peptide is the trending ingredient for new product development for Healthy Ageing, Beauty from within, Women's Health, Fitness nutrition etc. The need for an ingredient which has multiple health benefits and sufficient clinical evidence opens up ample opportunities for Company's Wellnex range of products. A greater focus on health consciousness is leading to an increase in consumer spend on nutritional supplements to boost immunity and support their overall health.

Collagen protein, once considered a cheap protein, is now gaining popularity due to its functional benefits in skincare, bone and joint health and sport nutrition. Collagen derived Peptides are one of the key ingredients in the Nutraceutical formulations in these segments. Several studies are going on to explore other potential benefits of Collagen derived bioactive Peptides. Considering the immense potential of Collagen Peptide several manufacturers have already scaled up their manufacturing facilities.

Raw Material Sourcing

The availability of Crushed Bone which is a major Raw material of the Company has been stable in the year though the availability has not yet touched Pre Pandemic level. There are signs of improvement in the slaughtering rate which may help in improving the availability of crushed bone in the coming period. Slow movement of Bone meal which is a byproduct of crushed Bone leads to price pressure in domestic Market. Quality Improvement due to stringent PCB norms has also been a challenge during the period.

Import of gel bones helped to reduce our dependency on domestic raw materials. We have been able to maintain adequate levels of raw material inventory at all our manufacturing locations.

The Company is exploring more sources for importing gel bones in the coming year too.

Reducing Carbon Foot Print

The activities towards Carbon footprint reduction carried out during the year 2022-23 are as under:

1. Ossein Division-
    a. Installed biogas generation systems reduced furnace oil consumption. By this, fossil fuel consumption is reduced significantly.
    b. Solar lighting introduced on plant premises.
    c. Specific Power reduced by 25 units/MT of CB from 2019-20 through improved motor efficiencies, installing LED lights, etc.
2. Gelatin Division-
    a. Specific power consumption reduced by 300 units / MT of Gelatin from 2019-20 through the installation of high-efficiency motors, improved consumption efficiency, installation of LED lights, etc.
    b. An anaerobic digester was installed in the effluent stream for converting effluent (biomass) to biogas which reduced fossil consumption and reduced solid waste generation.
    c. Retrofitting was implimented in the GD boiler to improve fuel efficiency and the work environment.
3. Online meetings - Inter-division travel by employees for meetings is avoided where possible by using digital media for online meetings.

Outlook

The war between Russia and Ukraine has disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war has led to surge in commodity prices and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States, Europe and many other emerging and developing economies. Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades.

Shifting consumer preferences in a projected economic downturn scenario, amendments to industrial policies to align with growing environmental concerns, fluctuations in raw material costs triggered by prevailing geo-political tensions and expected economic turbulences are noted as key challenges to be addressed by the Collagen industry players during the short- and medium-term forecast.

We will be orienting our investments towards acquiring new technologies, securing safe and sustainable raw materials, efficient procurement/inventory, strengthening product portfolios, and leveraging capabilities to maintain growth during challenging times. The economic and social challenges are noted to be highly varying between different countries/markets and Collagen manufacturers and associated players are focused on country-specific strategies. Uneven recovery in different end markets and geographies is a key challenge in understanding and analyzing the Collagen market landscape.

The impact of war in Ukraine and the risk of stagflation envisaging numerous market scenarios are pressing the need for Collagen industry players to be more vigilant and forward-looking. Changes brought in by the Pandemic COVID-19 in the Collagen supply chain and the burgeoning drive for a cleaner and sustainable environment are necessitating Companies to alter their strategies. The Company with its new innovative manufacturing process is trying to control the cost of production and thereby tap new markets for increasing the sales. Our major market segments will be beauty from within, joint health, sports nutrition, general wellness and other new functionalities. High functional Collagen Peptide are the new products under development.

Financial Performance

The financial results of operations of your Company for the year under review are detailed under the caption 'Performance' forming part of the Directors' Report. The Company's operations have resulted in a pre-tax profit of ₹ 78.08 Crores for the current year as against pre-tax profit of ₹ 37.61 Crores for the previous financial year. The post-tax profit for the current year is ₹ 58.76 crores as against post tax profit of ₹ 26.60 crores for 2021-22. Other comprehensive income (net of tax) for the current year is ₹ 0.09 crores as against other comprehensive loss of ₹ 2.26 crores for the previous year.

During the year, the Company has continued its efforts to optimize financial costs through availing loans in foreign currency thereby resulting in substantial reduction of financial costs.

The basic and diluted earnings per share during the year was ₹ 64.72 per share as against ₹ 29.29 per share during the previous fiscal year.

Human Resources Development

The Company undertook the following HR initiatives during the financial year:-

1. **Succession planning**:
   We have identified the critical positions in the Company for the next 3 years against retirement and initiated action plans to develop the next level executives in critical positions.

2. **Training and development**
   The employees of the Company have been given training based on their requirements in a time bound manner to improve their skill sets to meet emerging challenges. Training calendar has been prepared well in advance in consultation with functional heads to meet the organisational requirements.

3. **Organization culture**
   The Company is focussing on the culture development initiatives such as Leadership culture, Safety culture, Food safety culture, TPM culture and knowledge culture to improve the overall employee capabilities including a 7-day Leadership training programme for our Functional heads last year.

4. **Unique Initiative Award**
   The Company has rolled out a new reward scheme for its employees which provide special unique initiatives that will fetch considerable benefits to the Company. The identified employees are rewarded by way of cash awards for their initiatives and become a model for others to emulate.

5. **Employee Feedback Survey:**
   Human Resource Department of the Company had conducted an employee feedback survey on HR practices in the Company. The feedback analysis was completed and the suggestions/feedback received in the survey is being addressed in a time bound manner.

6. **HR Automation:**
   As part of Paper reduction and Digitalisation initiatives, the Company has implemented Leave and Attendance Management System for its Executive Staff and is planning to extend the same to the blue collar level also in the coming year.

7. **Revamping of Performance Management System**
   The Company is planning to standardise the role based Job Description and for revamping the existing Performance Evaluation system with more focus on result oriented performance to meet emerging market situations.

8. **Competency Development Programme:**
   Competency assessments have been completed for identified employees at senior levels and they have started initiatives to bridge the gaps identified in the competencies of employees.
   a. Role development Training program on Theory of Constraints for 30 top level executives:

      The Company has conducted TOC (Theory of Constraints) training program for its top leadership. It was a very effective training program that has helped the Company in identifying the bottlenecks that impact the operations of the Company in a significant manner and frame action plans for debottlenecking them enabling focussed growth.
   b. Online programme: The Company has conducted online training programmes for executives and non-executives. The benefits of the program were assessed using various tools such as quizzes, weekly assignments, and general feedback.

c. E-learning courses: The Company prescribed e-learning modules from Udemy, Coursera, Edx, etc. to expand on the training modules for executives. In addition to general programs like Excel/Presentation skills, specific programs like project management were also covered.
d. Competency Enhancement at subsidiary Company Bamni Proteins Limited (BPL): The Company conducted a training program for the executives at BPL to help them assess and improve their presentation skills. As a continuation of the program, the Company has arranged for basic excel classes for the lower management executives for the next financial year.
e. Skill Assessment and Development for Workmen: The Company conducted skill assessment of workers belonging to all disciplines in areas such as job knowledge, hazard identification, abnormality identification, and 5S awareness. In-house training modules have been developed and are being rolled out for those workmen who have skill gaps in the area mentioned.
f. Kirkpatrick Evaluation Method: The Company has revamped the Kirkpatrick Evaluation Methodology to assess the effectiveness of training programmes conducted. The method assesses the impact that each programme has had on the employees at three phases and ensures due diligence prior to the conduct of each programme.
g. Mentorship Programme: The Company completed the first phase of the mentorship program as per plan. Consequently, a feedback of the program was taken from both mentors and mentees and modifications to the scheme are being made based on the feedback
h. Health & Wellness Programme: The following programmes were conducted with the objective of helping employees to enhance their health and wellness and to promote better engagement among employees.
i. Yoga and Zumba Classes: Online classes on Zumba and Yoga were conducted to teach employees healthy exercise options that can be used by them to achieve various health goals.
j. Covid Awareness Sessions: The Company conducted online sessions by engaging reputed experts to spread awareness among employees about the COVID-19 Pandemic and to help employees and families protect themselves against the disease.
k. Chronic disease awareness programs: To further spread awareness among employees regarding various common ailments like heart disease, diabetes, Spinal/back problems, etc. the Company conducted live interactions with health experts in the field.
l. Badminton court - A new Badminton Court was inaugurated inside the Ossein Division for employees

9. Vision-Mission-Values (VMV): The Company conducted programmes to help the employees imbibe the Vision, Mission and Values of the organisation better

   a. Competitions: Competitions are being conducted to help employees think more about the influence of each Value in their personal and professional lives and to engage them better in the VMV programme.

   b. Online Value awareness sessions: The Company invited eminent professionals to talk to the employees on how companies demonstrate their corporate values and how the Company's values can be demonstrated at the workplace.

Key Financial Ratios

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Key Ratios with a variance of more than 25 % compared to the previous year -

Sl. No	Particulars	As at 31.03.2023	As on 31.03.2022	Variance	Reason
1	Current Ratio	2.41	1.53	57%	The working capital loan balance has come down significantly by 67% resulting in overall increase in Current ratio.
2	Debt Service Coverage Ratio	11.87	5.32	123%	Increase in profits and repayments during the year.
3	Return on Equity Ratio	0.24	0.14	70%	There is a 121% increase in PAT and hence the increase in ROE
4	Net profit Ratio	12%	6%	91%	121% increase in PAT resulting in increased NP ratio
5	Return on Capital Employed	33%	21%	54%	EBIT increased by 93% resulting in overall increase in ROCE
6	Return on Investment	105%	39%	169%	Increase in dividend received from Bamni

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report containing your Company's objectives, projections, estimates and expectation may constitute certain statements which are forward looking within the meaning of the applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statements. Your Company's operations may inter-alia be affected by the supply and demand situation, input price and availability, changes in Government Regulations, Tax Laws, foreign exchange rate fluctuations and other factors. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company for the future.

The Management believes that the strategic direction of your Company is sound and will fulfill the Shareholders' expectations, both short term and long term.

For and on behalf of the Board of Directors
Sd/-
APM MOHAMMED HANISH IAS
CHAIRMAN
DIN: 02504842

Kochi
08.05.2023

ANNEXURE I

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:
- Empowerment of the disadvantaged/weaker sections of the society through education, skill development etc.;
- Providing basic necessities like healthcare, drinking water & sanitation;
- Supporting environmental and ecological balance through afforestation, soil conservation, conservation of flora and similar programmes;
- Rural development projects, etc.
2. Composition of CSR Committee: As per Section 135(9) of the Companies Act, 2013, as the amount required to be spent for CSR activities based on average net profits was less than ₹ 50 Lakhs for the Financial Year 2022-2023, the role of the CSR Committee was discharged by the Board of Directors for the CSR activities for 2022-2023.
3. Provide web-links where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://gelatin.in/investors-portal#
4. Provide the executive summary along with web links of Impact assessment of CSR projects carried out in pursuance of Sub- Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **N.A.**
5. (a) Average net profit of the Company as per Section 135(5):

Particulars	Amount (₹ in Lakhs)
Profit before taxes F Y 2019-20	687.93
Profit before taxes F Y 2020-21	2,433.65
Profit before taxes F Y 2021-22	3,761.06
Average Profit before taxes for the last 3 years	2,294.21

   (b) Two percent of average net profit of the Company as per Section 135(5) – ₹ 45.88 Lakhs, rounded off to higher amount, ₹ 46 Lakhs
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **N.A.**
   (d) Amount required to be set off for the financial year, if any - **N.A.**
   (e) Total CSR obligation for the financial year (b + c-d) - ₹ 46 Lakhs
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project- ₹ 58.02 Lakhs.
   (b) Amount spent in Administrative Overheads- **N. A.**
   (c) Amount spent on Impact Assessment, if applicable - **N.A.**
   (d) Total amount spent for the Financial Year (a+b+c) - ₹ 58.02 Lakhs
   (e) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year	Amount Unspent (₹ in Lakhs)				
	Total amount transferred to unspent CSR account as per Sub-Section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135		
	Date of transfer	Name of the Fund	Amount	Date of transfer	Date of Transfer
58.02	Nil	NA	Nil	Nil	NA

(f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Sub-Section (5) of Section 135	46.00
(ii)	Total amount spent for the Financial Year	58.02
(iii)	Excess amount spent for the Financial Year (ii)- (i)	12.02
(iv)	Surplus arising out of CSR projects or programmes or activities of the previous Financial Years, if any	0.00
(v)	Amount available for set off in succeeding Financial Years (iii)- (iv)	12.02

7. Details of unspent Corporate Social Responsibility amount for the preceding three Financial Years: NA.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No.

   If yes, enter the no. of capital assets created or acquired: NA.

   Furnish the details relating to such assets so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

9. Specify the reasons of the Company has failed to spent two percent of the average net profit as per Sub-Section (5) of Section 135: NA

Sd/-

(Chairman - CSR Executive Committee)

ANNEXURE - II

Form AOC-I

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part 'A': Subsidiaries

Sl. No.		
1	Name of the Subsidiary	Bamni Proteins Limited
2	Reporting period for the Subsidiary concerned, if different from the holding Company's reporting period	Reporting period same as Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A
		Amount (₹ in Lakhs)
4	Share capital	425.00
5	Reserves & surplus	3,541.71
6	Total assets	5,059.26
7	Total Liabilities	5,059.26
8	Investments	Nil
9	Turnover	10,266.72
10	Profit/(loss) before taxation	2,634.07
11	Provision for taxation	600.78
12	Profit after taxation from continuing operations	2,033.29
13	Other comprehensive income/(loss)	(4.92)
14	Total comprehensive income/(loss)	2,028.37
15	Proposed Dividend	200%
16	% of shareholding	82.35

1. Names of Subsidiaries which are yet to commence operations - NIL
2. Names of Subsidiaries which have been liquidated or sold during the year - NIL

Part 'B': Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There was no associate/joint venture for the Company during its reporting period.

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

Sd/-
APM MOHAMMED HANISH IAS
Chairman
DIN: 02504842

Kochi
08.05.2023

ANNEXURE III

Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo

(A) CONSERVATION OF ENERGY

(a) During the year various energy conservation measures were initiated.

(b) Additional investments are being proposed for further optimization of utilities.

(a) Energy conservation activities carried out during the year:

Activities at Ossein Division

1. Installed a submersible mixer for conventional Biogas tank for better mixing of sludge for increasing generation of biogas which is used as fuel.
2. Replaced conventional lamps (19 numbers) with solar streetlights in some areas of the plant.
3. Installed energy efficient IE3 motors (8 Nos) for replacing old low efficient motors.
4. CB hopper -1&2 screw design modified to improve efficiency and reliability thereby reduced the load on the screws and reduced the power consumption
5. Installation of powerless fan in roof of acid bath and boiler area
6. HTV FD fan speed optimization to reduce energy consumption
7. Contract demand reduction from 2250 KVA to 2050 KVA
8. Optimization of Peak hour operation

Activities at Gelatin Division

i) Old lights inside plant and street lights replaced with low power LED lights.

ii) 8 numbers of IE1 motors replaced with Energy efficient IE3 Motors.

iii) Installation of Volute press to improve secondary sludge filtration.

iv) 3 numbers of VFD installed for variable load motors in pumps.

v) Energy Management system for better control and monitoring of Energy usage.

vi) Hot and cold insulation done for process utility pipe lines to minimize Energy losses.

vii) Operating Chiller in efficient manner to reduce power consumption.

viii) Replaced 12 numbers of old sodium halide street lights of 250W with 50W LED lights.

ix) Replacement of 15 numbers of 250W Sodium halide lights inside the plant with 100W LED lights

x) Boiler retrofitting activities completed whereby the fuel handling ensuring ease of operation and safety, increase in utilization by reduction in cleaning frequency, reduction in consumption of costlier fuels.

xi) Bio digester (LARS) work completed resulting in sludge reduction of 4MT/day and inlet COD reduction by 50%.

xii) Replacement of 5 air conditioner units with energy efficient type.

Activities at Reva Division

a. Installed an energy efficient aerator in aeration tank in the month of September 2021.

b. Replaced 12 numbers of High Pressure Sodium Vapour Lamps (HPSV) with LED lights in 2021-22.

c. Installed a VFD in for a water pump in November 2021 which has resulted in a saving of 217 units per day.

Capital investments on energy conservation equipment

The Company has spent an amount of ₹ 1.12 crs. as capital expenditure on energy saving equipment during the year 2022-23.

Energy conservation activities proposed for 2023-24

1. Automation of river water pumping system to reduce power consumption
2. 4 series Acid Feeding mechanism automation to reduce chilled water consumption, saving energy consumption
3. Liming plant air compressor replacement with energy efficient screw type air compressor
4. Installation of solar street lights
5. Pump audit and low efficient pump replacement
6. Installed IE3 motors for replacing old rewound motors.
7. Submersible mixer for liming effluent collection tank
8. Sludge drier ID fan speed optimization
9. Fuel handling system for B5 boiler
10. Insulation of hide liming pits
11. New cooling tower for compressor
12. Roofing sheet replacement with puffed panel sheets.
13. Installation of refrigerant type air drier for compressor
14. Installation of new chilling unit
15. Installation of more number of solar street lights
16. Providing biogas line for canteen usages
17. Replacement for 20 nos existing sodium vapor lamps of 150W replacement with LED street lights of 60W in plant.
18. Replacement of 22 KW pumps for pumping from HT-1 to guard pond with 2 pumps with 5 KW motor.
19. Planning for VFD installation in Screw pump in ETP which will result in a saving of 20 units per day.

(B) TECHNOLOGY ABSORPTION AND DEVELOPMENT

The technology for the manufacture of Ossein, Di Calcium Phosphate, Limed Ossein, Gelatin and Collagen Peptide transferred by the overseas collaborators has been fully absorbed and improved upon over the years. The Company is making continuous efforts for further improving technology to economise on consumption of utilities and improving product quality and productivity.

The Company continues to be under a Technical Assistance Agreement with the overseas collaborator, NGI, Japan whereby it can avail the services of trained experts in Nitta Group in any desired area of Gelatin/ Peptide production. Any noteworthy developments in the area of any of the products at NGI, Japan or its associates are shared with the Company.

The Company is investing substantially for environment improvement projects at all its production centres.

RESEARCH & DEVELOPMENT

The Company has exclusive Research & Development centres attached to each of its major production centres. All these centres are approved by the Department of Scientific and Industrial Research (DSIR), Government of India and carry out development of new products and processes besides improvement of existing products and production processes. R&D along with Technical service is working on quality improvement of crushed bones, Gelatin and Collagen Peptides.

The Company is continuing its R&D efforts for finding out novel techniques for separation of Chloride, development of alternate raw materials, reduction in process time, improvisation of existing products, etc. Specific areas in which R&D is carried out are:-

- Development of new products in health and food sector, line extension of existing products and new applications for the same.
- Evaluation and development of new sources for various raw materials.
- Development of new process techniques for cost optimization as well as fuel and energy conservation.
- Reduction in water consumption

R&D wing of the Company has a team of trained and dedicated personnel to further strengthen its activities.

Expenditure on R&D:

Particulars	**₹ in Lakhs**	
	Current year	Previous year
a. Capital – R&D Centre Ossein Division & Gelatin Division	4.02	8.11
Total Capital expenditure	4.02	8.11
b. Recurring expenses - Ossein & Gelatin Division	206.07	180.92
Percentage to turnover (%)	0.44%	0.46%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ in Lakhs)	
	Current year	Previous year
a.Earnings	20,585.05	20,279.53
b.Outgo	3,784.50	4,679.57

FORM-A
Form for disclosure of particulars with respect to conservation of energy

Particulars	Current year 2022-23	Previous year 2021-22
A. POWER AND FUEL CONSUMPTION		
1.Electricity		
(a)Purchased		
Units (KWH in Lakhs)	315	300
Total Amount (₹ In Lakhs)	2216	1958
Rate/Unit (₹)	7.0	6.5
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH in Lakhs)	2	2
Unit per litre of Diesel Oil	2.5	2.5
Cost/Unit (₹)	38	34
2. Furnace Oil		
Quantity (in KL)	606	674
Total Amount (₹ in Lakhs)	341	323
Average rate (₹ per KL)	56234	47975
3. Firewood		
Quantity (in MT)	40722	39631
Total Amount (₹ in Lakhs)	1510	1389
Average rate (₹ per MT)	3707	3506
4. LNG		
Quantity (in MMBTU)	16067	20940
Total Amount (₹ in Lakhs)	230	216
Average rate (₹ per MMBTU)	1429	1030
5. COAL		
Quantity (in MT)	4175	4101
Total Amount (₹ in Lakhs)	468	384
Average rate (₹ per MMBTU)	11208	9355
Product - Ossein		
1. Electricity (KWH) per MT	1953	1903
2. Furnace Oil (KL)/MT		0
3. Firewood (MT)/MT	0.68	0.60
4. Coal (MT)/MT	0.66	0.96
Product - DCP		
1. Furnace Oil (KL)/MT	0.04	0.02
2. Coal (MT)/MT	0.47	0.48
Product – Gelatin		
1. Electricity (KWH) per MT	2997	2981
2 Furnace Oil (KL) per MT	0.05	0.11
3. Firewood (MT) per MT	7.2	7.57
4. LNG (MMBTU)/MT	3.7	5.05
Product – Collagen Peptide		
1. Electricity (KWH) per MT	5133	5353
2. Firewood (MT) per MT	6.80	6.34

For and on behalf of the Board of Directors
Sd/-
APM MOHAMMED HANISH IAS
Chairman
DIN: 02504842

Kochi
08.05.2023

ANNEXURE IV

Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Requirements under Rule 5(1)		
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. Philip Chacko M,Managing Director – 21.66 (25.8) Dr. Shinya Takahashi, Director (Technical) – 3.25 (3.47)
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Philip Chacko M, Managing Director- -10.38% (63.56%) Key Managerial Persons: Dr. Shinya Takahashi, Director (Technical) – 0.13% (-0.45%) Mr. P. Sahasranaman, CFO - 24.58% (9.56%) Mr. G. Rajesh Kurup, (April &May) Mr. Vinod Mohan, CS (From June 2022) – -6.09% (9.36%)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	6.74% (24.85%)
(iv)	The number of permanent employees on the rolls of the Company;	471 permanent employees as on 31.03.2023
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Salary increase of managerial personnel is 15.64% and that of non-managerial 4.81%.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid by the Company during the financial year 2022-23 is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors

Sd/-
APM MOHAMMED HANISH IAS
Chairman
(DIN: 02504842)

KOCHI
08.05.2023

B. Requirements under Rule 5(2)

Name	Designation	Age	Nature of employment	Total Remuneration	Qualification	Experience	Date of commencement of employment (as MD)	Last employment held	% of equity shares held
Mr. Philip Chacko M.	Managing Director	52 years	Key Mangerial Personnel	₹ 1,64,93,269	B Tech from IIT- Kharagpur and PGDBM from IIM-Calcutta	Over 25 years	01.04.2022	CEO, Popular Vehicles and Services Limited	Nil

Mr. Philip Chacko M. is not a relative of any Director of the Company

For and on behalf of the Board of Directors

Sd/-
APM MOHAMMED HANISH IAS
Chairman
(DIN: 02504842)

KOCHI
08.05.2023

ANNEXURE - V

Form AOC-2

(Pursuant to Clause (h) of Sub- Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub- Section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

   a) Name(s) of the related party and nature of relationship

      i) Nitta Gelatin Inc., Japan - Enterprise having substantial interest in the Company
      ii) Nitta Gelatin NA Inc., - Subsidiary of Nitta Gelatin Inc., Japan
      iii) Nitta Gelatin Canada Inc. - Subsidiary of Nitta Gelatin Inc., Japan
      iv) Bamni Proteins Ltd. - Subsidiary Company

   b) Nature of contracts/arrangements/transactions

      Sales/purchase of materials/
      Availing or rendering of services

   c) Duration of contracts/arrangements/transactions: 01st April, 2022 to 31st March, 2023.

   d) Salient terms of the contracts or arrangements or transactions including the value, if any:
      Refer Note No. 3.29 on accounts

   e) Date(s) of approval by the Board, if any: 06.05.2022, 05.08.2022, 09.11.2022 and 08.02.2023.

Sd/-

APM MOHAMMED HANISH IAS
Chairman
(DIN: 02504842)

KOCHI
08.05.2023

ANNEXURE - VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023.

[Pursuant to Section 204(1) of the Companies Act,2013 and Rule 9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules,2014 and Regulation 24 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)].

To

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi-682 036.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nitta Gelatin India Limited (hereinafter called the Company), CIN: L24299KL1975PLC002691, 56/715, SBT Avenue, Panampilly Nagar, Ernakulam, Kochi - 682 036. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March,2023 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations,2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not applicable to the Company during audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008(Not applicable to the Company during audit period);

   (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations ,1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange board of India (Delisting of Equity shares) Regulations,2009 (Not applicable to the Company during audit period);and

   (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations,1998 (Not applicable to the Company during audit period);

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;

(vi) The following other laws as may be applicable specifically to the Company;

   (a) The Food Safety Standard Act,2006 and the Rules and Regulations issued thereunder.

   (b) The Petroleum Act, 1934 and Rules and Regulations issued thereunder.

   (c) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules,2008

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) and Secretarial Standard on Dividend (SS-3) issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into with BSE Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as specified below:

1. *On inspection of the 271st Board Meeting held on 05.08.2022, it is found that the Company has made direct political contributions to the tune of ₹ 5000 during the FY 2022-23 and ₹ 7500 during the FY 2021-22 not in compliance with Section 182 of the Companies Act,2013. Further, indirect political contributions to the tune of ₹ 2000 and ₹ 5000 are also made during the FY 2022-23 and FY 2021-22 respectively not in compliance with Section 182 of the Act. The Company is advised;*
   a. *to carry out political contributions both direct and indirect only with the approval of the Board and*
   b. *to report the total amount of ₹ 7000 as political contribution under FY 2022-23 and ₹ 12,500 under FY 2021-22 in the Statement of Profit and Loss for the financial year ended 31st March, 2023 as envisaged under Section 182 of the Companies Act,2013 .*
2. *There was 19 days of delay in redeeming the 929412 Optionally Convertible Preference Shares of ₹ 170 each allotted to Nitta Gelatin Inc, Japan, the promoter of the Company resulted in the continuance as Preference Shareholder after due date which has larger implication of inviting preferential rights. The Company is advised to redeem the preference shareholding in time in future.*

I further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors except to the extent specified above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law, environmental laws and Rules, Regulations and Guidelines.

I further report that on 2nd January, 2023, The Board of Directors of the company 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 ₹ 40.77 Crores (the "Rights Issue").

I further report that the Company had redeemed 929412 Optionally Convertible Preference Shares of ₹ 170/- each which was allotted to Nitta Gelatin Inc, Japan on 17.05.2022.

Other than the above, the Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

UDIN: F010876E000143745
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 19.04.2023
Place: Kochi

Sd/-
ABHILASH NEDIYALIL ABRAHAM
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No. 14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi-682028

Annexure A

To

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi-682 036.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F010876E000143745
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 19.04.2023
Place: Kochi

Sd/-
ABHILASH NEDIYALIL ABRAHAM
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No. 14524
Bldg No. 46/2504-b, Haritha Road,
Vennala, Kochi-682028

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices and professional management thereby enhancing Shareholders' value and protecting the interest of the Stakeholders such as Shareholders, Suppliers, Customers and Employees. The Company is committed to attain high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations.

2. BOARD OF DIRECTORS

Composition

The Board of Directors as on 31st March 2023 consisted of twelve (12) Directors. The Board has an optimum combination of Executive and Non-Executive Directors who are eminent professionals in their respective fields with wide range of skills, knowledge and experience. They are drawn from amongst persons with proven track record in business/finance/public enterprises. There is no relationship between Directors inter-se except that two Directors are Nominees of Kerala State Industrial Development Corporation Limited (KSIDC) and three Directors are nominees of Nitta Gelatin Inc., Japan (NGI); KSIDC and NGI, Japan being the Promoters of the Company.

Number of Board Meetings held during the year along with dates of Meetings

Five (5) Board Meetings were held during the financial year 2022-23 i.e, on 06.05.2022, 05.08.2022, 09.11.2022, 02.01.2023 and 08.02.2023.

The composition and attendance at the Board Meetings and Annual General Meeting (AGM) during the financial year and other Directorships/Committee Memberships in other entities as on 31.03.2023 were as follows:

Sl. No.	Name of the Directors	Category	Shares/ Convertible instruments held in the Company	No. of Board Meetings attended/ held	Attendance in last AGM (Yes/No/ NA)	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
1	Mr. APM Mohammed Hanish IAS Nominee of KSIDC and Principal Secretary, Health and Family Welfare, Industries, AYUSH and General Education, Revenue (Waqf) Departments, Government of Kerala.	Nominee Director representing KSIDC (Equity investor)	-	5/5	Yes	-	8	-	-
2	Mr. M.G. Rajamanickam IAS * Nominee of KSIDC, Managing Director of KSIDC	Nominee Director representing KSIDC (Equity investor)	-	1/1	No	-	0	-	-

Sl. No.	Name of the Directors	Category	Shares/ Convertible instruments held in the Company	No. of Board Meetings attended/ Held	Attendance in last AGM (Yes or No)	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
3	Mr. S. Harikishore IAS*	Nominee Director representing KSIDC (Equity investor)	-	1/4	NA	-	9	-	-
4	Mr. Koichi Ogata	Promoter/ Nominee Director representing Nitta Gelatin Inc(Equity investor)	-	5/5	Yes	President, Nitta Gelatin Inc., Japan (Promoter).	-	-	-
5	Mrs. Radha Unni	Non-Executive Independent Director	-	5/5	Yes	-	6	4	-
6	Mr. E. Nandakumar	Non-Executive Independent Director	-	5/5	Yes	-	-	1	-
7	Dr. Justice M. Jaichandren (Retd)	Non-Executive Independent Director	-	5/5	Yes	-	-	1	1
8	Mr. Yoichiro Sakuma	Non-Executive Independent Director	-	3/5	Yes	-	-	-	-
9	Mr. Philip Chacko M	Managing Director	-	5/5	Yes	Chairman, Bamni Proteins Limited (Subsidiary Company)	2	1	-
10	Dr. Shinya Takahashi	Executive Nominee Director	-	5/5	Yes	Director, Bamni Proteins Limited (Subsidiary Company)	1	1	-
11	Mr. V. Ranganathan	Non-Executive Independent Director	-	5/5	Yes	-	4	4	2

Sl. No.	Name of the Directors	Category	Shares/ Convertible instruments held in the Company	No. of Board Meetings attended/ Held	Attendance in last AGM (Yes or No)	Business relationship with Nitta Gelatin India Ltd (NGIL)	Other Director ships	Committee Membership (see Note 2.01)	
								Member	Chairman
12	Mr. Sajiv K. Menon	Non-Executive Non Independent Director	-	5/5	Yes	-	1	-	-
13	Prof (Dr) M.K. Chandrasekharan Nair	Non-Executive Independent Director	-	5/5	No	-	-	-	-

* KSIDC vide letter dated 4th August, 2022 has nominated Mr. S. Harikishore IAS as Nominee Director in place of Mr. M.G. Rajamanickam IAS.

2.01 For reckoning the number of Board Committees in which the Director is a Member or Chairperson in Public Limited Companies, only the Audit Committee and Stakeholders' Relationship Committee is considered.

2.02 The Board of Directors has an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Directors being Non-Executive Directors and one Woman Director in conformity with Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are disqualified under Section 164 of the Companies Act, 2013. A Certificate from a Practicing Company Secretary stating that none of the Directors are disqualified, forms part of this report. Necessary declarations have been made by the Directors under Regulation 26(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating the Committee positions held by them in other entities.

2.03 The Independent Directors as on 31.03.2023 were Mr. E. Nandakumar, Mrs. Radha Unni, Mr. Yoichiro Sakuma, Dr. Justice M Jaichandren (Retd.), Mr. V. Ranganathan and Prof (Dr) M.K. Chandrasekharan Nair, who meet the prescribed criteria of Independence during the financial year. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management.

Name of the Listed Companies in which each Director holds Directorships including category of Directorship

Sl. No.	Name of the Director	Name of the Listed Company	Category
1	Mr. APM Mohammed Hanish IAS	Nitta Gelatin India Limited	Nominee Director
2	Mr. M.G. Rajamanickam IAS*	1. Geojit Financial Services Limited 2. Nitta Gelatin India Limited	Nominee Director
3	Mr. S. Harikishore IAS*	1. Geojit Financial Services Limited 2. Nitta Gelatin India Limited	Nominee Director
4	Mr. Koichi Ogata	Nitta Gelatin India Limited	Non-Executive Nominee Director
5	Mrs. Radha Unni	1. South Indian Bank Limited 2. V-Guard Industries Limited 3. Nitta Gelatin India Limited 4. The Western India Plywoods Limited	Independent Director
6	Mr. E. Nandakumar	Nitta Gelatin India Limited	Independent Director
7	Dr. Justice M. Jaichandren (Retd.)	Nitta Gelatin India Limited	Independent Director
8	Mr. Yoichiro Sakuma	Nitta Gelatin India Limited	Independent Director
9	Mr. Philip Chacko M	Nitta Gelatin India Limited	Managing Director
10	Dr. Shinya Takahashi	Nitta Gelatin India Limited	Executive Nominee Director
11	Mr. V. Ranganathan	1. Nitta Gelatin India Limited 2. TTK Healthcare Limited 3. The India Cements Limited	Independent Director
12	Mr. Sajiv K. Menon	Nitta Gelatin India Limited	Non-Executive Non Independent Director
13	Prof (Dr) M.K. Chandrasekharan Nair	Nitta Gelatin India Limited	Independent Director

* KSIDC vide letter dated 4th August, 2022 has nominated Mr. S. Harikishore IAS as Director in place of Mr. M.G. Rajamanickam IAS.

Change in Directors during the Financial Year

Mr. M.G. Rajamanickam IAS ceased to be Nominee Director on 04.08.2022 and in his place Mr. S. Harikishore IAS was appointed as Nominee Director on 04.08.2022 by KSIDC. Mr. Sajiv K. Menon who was appointed as an Additional Director on 06.05.2022 was appointed as Director by the Shareholders in the Annual General Meeting held on 04.08.2022.

Prof (Dr) M.K. Chandrasekharan Nair who was appointed as an Additional Director qualifying as an Independent Director on 06.05.2022 was appointed as Director by the Shareholders in the Annual General Meeting held on 04.08.2022.

Mr. Philip Chacko M (DIN: 01219764) has been appointed as the Managing Director of the Company with effect from 01.04.2022 and the same was approved by Shareholders in the Annual General Meeting held on 04.08.2022.

Familiarisation Programme

The Company has fully recognized the need for keeping Directors, especially the Independent Directors abreast of the changes in the corporate sector, be it any new trends and mandates in Corporate Governance practices or the governing legal provisions in corporate law. In that direction, the Company has, at the time of appointment of Independent Directors at the Annual General Meeting issued those formal letters of appointment which explains the role, function, duties and responsibilities expected of them as Directors of the Company. It is also explained in detail to the Director, the compliances required from him/her under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and his/her affirmation taken in respect of the same. The web link where details of Familiarization Programme imparted to Independent Directors disclosed is as under:

https://gelatin.in/uploads/homecontent/Familiarisation%20Programme_20221115023926.pdf

Separate Meeting of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Independent Directors of the Company had held one Meeting in the financial year 2022-23 i.e, on 15.03.2023. All the Independent Directors attended the Meeting. The Meeting inter alia reviewed the performance of the Non-Independent Directors and the Board as a whole, including the Chairman and found their performance to be satisfactory.

Code of Conduct

The Board approved the Code of Conduct applicable to the Board Members, the Senior Management Personnel and employees of the Company at its Meeting held on 14.05.2007, which was suitably modified at the Meeting on 03.02.2015, for including the duties of Independent Directors. The updated Code has been posted on the website of the Company www.gelatin.in. All Board members and Senior Management Personnel have affirmed compliance with the code and a declaration to this effect is annexed to this report.

Board Profile as on 31.03.2023

a. **Mr. APM Mohammed Hanish IAS, Chairman**

Mr. APM Mohamed Hanish IAS who holds a B Tech Degree in Civil Engineering was selected to Indian Administrative Service in 1996. He is presently serving as Principal Secretary - Health & Family Welfare, Industries, AYUSH & Revenue (Waqf) Departments and as Managing Director of Cheraman Financial Services Limited. He had in the past been a National Trainer on Leadership Skills by the Department of Personnel and Training, Government of India and has participated in programmes for training Civil Servants at the National level. Besides, he has undergone training programmes at University of Toronto, Canada, Asian Institute of Technology, Bangkok, Thailand and Indian Institute of Management Bangalore .

b. **Mr. Philip Chacko M, Managing Director**

Mr. Philip Chacko M, holds PGDBM (Finance & Strategy) from Indian Institute of Management (IIM), Calcutta and B Tech (Civil) from Indian Institute of Technology (IIT), Kharagpur and has over 26 years of experience in some of the largest groups in India including Vedanta Group, GMR, Lanco, Tata Steel, Popular Vehicles and Kotak Mahindra. He has a rich exposure to multiple sectors viz Retail, Power, Wind Energy, Solar, Real Estate, Finance etc. Having commenced his post-MBA career in 1996 with TATA Steel, he was the Chief Operating Officer of USD 2 Bn, Talwandi Sabo Power Limited (Vedanta Group) and was also the General Manager at GMR Group.

c. **Dr. Shinya Takahashi, Whole Time Director**

A Bachelor in General Education and Ph.D. from Chiba University - a Graduate School of Advanced Integration Science, Dr. Shinya Takahashi had a long tenure as General Manager (QA), Nitta Gelatin Inc., Japan.

d. **Mr. S. Harikishore IAS**

Mr. S. Harikishore, IAS is a Master of Engineering by Academics. He got into Indian Administrative Services from Kerala Cadre in the year 2008. He served as the District Collector of Pathanamthitta, Managing Director of KTDC, Director Tourism Department, CEO Life Mission etc. Currently he is serving as Director, Department of Industries and Commerce and Plantation and as Managing Director of KSIDC.

e. **Dr. Justice M. Jaichandren (Retd.)**

Dr. Justice M. Jaichandren (Retd.), holds a Bachelor Degree in Arts and a Masters Degree in Criminology from the Department of Psychology, University of Madras. He has in all 48 years' standing in the Bar and Bench, of which for 12 years, beginning 10th Dec, 2005, he served as the Justice in the Hon'ble High Court of Madras. Presently, he is a Senior Advocate of the Hon'ble Supreme Court of India.

f. **Mr. E. Nandakumar**

A Chemical Engineer with MBA, he was the erstwhile Executive Director of BPCL Kochi Refinery, and has over 30 years' experience with Oil Refinery, Petrochemicals and Gas processing Industry. Earlier, he was Director in the Board of Cochin Port Trust, Cochin International Airport Limited and Petronet CCK.

g. **Mrs. Radha Unni**

Mrs. Radha Unni M.A, B.Ed, CAIIB, a Banker by profession, with 36 years' experience in State Bank of India, where she retired as Chief General Manager in charge of Kerala Circle. She is an Independent Director of the Company.

h. **Mr. Yoichiro Sakuma**

Mr. Yoichiro Sakuma, an Independent Director was earlier the Director and Executive Vice President of Nitto Denko, Japan.

i. **Mr. Koichi Ogata**

Mr. Koichi Ogata is President, NGI, Japan, having earlier held senior positions in the Industry.

j. **Mr. V. Ranganathan**

Mr. V. Ranganathan, a Chartered Accountant and Company Secretary, has expertise in advisory role on financial and taxation matters, acting as Consultant at EY for over 23 years, besides being a visiting faculty for nearly 25 years at IIM Ahmedabad on the subject of mergers and corporate restructuring. Mr. V. Ranganathan holds the position of Independent Director in few other prominent Companies including listed ones. He is the member in leading industry bodies and social service organisations such as Madras Chamber of Commerce, CII, ASSOCHAM, FICCI and a Trustee of Palkhivala Foundation, Chennai.

k. **Mr. Sajiv K. Menon**

Mr. Sajiv K. Menon holds a B.Tech degree in Chemical

Engineering from NIT Tiruchirapalli, PGDM (Finance & Marketing), from IIM, Bangalore, and was a Fulbright Scholar at Carnegie Mellon University, USA. He had nearly 34 years of experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of the Company on 01.04.2014, the term of which got completed on 31.3.2022.

I. Prof (Dr.) M.K. Chandrasekharan Nair

Prof (Dr) M.K. Chandrasekharan Nair is presently serving as Director, NIMS-SPECTRUM-Child Development Research Centre, Thiruvananthapuram. He was Formerly Vice Chancellor & Emeritus Professor Research Kerala University of Health Sciences (KUHS), Emeritus Professor in Developmental Behavioural & Adolescent Paediatrics, CDC Kerala Certificate of Modern Medicine Registration. He was the Founder Director of Child Development Centre, Kerala. Dr. Nair was the National President of the Indian Academy of Paediatrics- 2004, Indian Clinical Epidemiology Network-2005-07, and National Neonatology Forum- 2011-12. Dr. Nair was the first recipient of Doctor of Science in Medicine from Kerala. He has published many books in developmental paediatrics, adolescent care counselling, parenting and premarital health counselling.

Matrix setting out the skills/expertise/core competencies of the Board of Directors

SEBI (LODR) Regulations, 2015 prescribes that there shall contain a 'chart or a matrix' setting out the skills/expertise/competence of the Board of Directors specifying the following:

(i) The list of core skills, expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board;

(ii) The names of Directors who have skills/expertise/competence detailed herein as part of (i) above;

In view of the above, the skills attributed to individual Directors constituting the Board are herein below:

Skill Area (Essential attributes)	Description	Skills attributed to
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Guide in the development of effective strategies in the context of the strategic objectives, relevant policies and priorities.	All Directors
Policy Development	Ability to help identify key issues and opportunities and develop appropriate policies to define the parameters within which the organisation should operate.	All Directors
Governance, Risk and Compliance	Experience in the application of Corporate Governance principles in a commercial enterprise.	All Directors
	Ability to help identify key risks in a wide range of areas including legal and regulatory compliance.	All Directors and especially Dr. Justice M. Jaichandren (Retd.) on matters relating to legal and regulatory compliance.
	Experience in the appointment and evaluation of a CEO and senior executive managers.	All Directors
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to: • Analyse key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning; • Oversee budgets and the efficient use of resources; • Oversee funding arrangements and accountability	Mr. V. Ranganathan, Mrs. Radha Unni besides MD and generally all other Directors especially, the Promoter Directors.
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.	MD besides nominees of KSIDC.

Skill Area (Essential attributes)	Description	Skills attributed to
Marketing & Communication	Knowledge of and experience in marketing services to members and public promotion campaigns. Experience in, or a thorough understanding of, communication with industry groups and/or end users through a range of relevant communication channels.	Promoter Directors (NGI, Japan), besides MD.
Member and stakeholder engagement	High level reputation and established networks in the industry, consumer or business groups, and the ability to effectively engage and communicate with key stakeholders.	MD
Commercial Experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.	MD, Promoter Directors and Independent Directors.
Legal	Qualification and experience in legal practice with emphasis on: • Specialty Chemical Industry • Pharmaceutical Industry • Employment law • Health & Safety legislation	Dr. Justice M. Jaichandren (Retd.)
Geographic, Gender and cultural diversity	Geographic and cultural diversity on the Board should be reflective of the diversity in the Industry.	Complied.
	Equal gender representation should be sought for the Board to reflect gender diversity of the Indian population.	Mrs. Radha Unni
Human Resource Management	Qualification and experience in human resource management with an understanding of Industry and Employment Law	Mr. E. Nandakumar
Information Technology/Digital Skills	Exposure to IT and/or Digital Industries with an ability to guide in the application of new technology	MD/Whole Time Director

3. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee of the Board conforming to the requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee consists of 3 Non-Executive Independent Directors, Mr. V. Ranganathan, Mr. E. Nandakumar and Mrs. Radha Unni as members. Mr. V. Ranganathan is the Chairman of the Audit Committee. The Company had the requisite number of members on the Committee for the year 2022-23.

The terms of reference of the Audit Committee sufficiently cover the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India(Listing Obligations & Disclosure Requirements) Regulations, 2015 and include overseeing of financial reporting process and development of financial information, ensuring the correctness of financial statements, reviewing with management, internal and external Auditors, the adequacy of internal control system and reviewing the related party transactions besides Internal Financial Controls and risk management systems. Mr. Vinod Mohan, Company Secretary, acts as the Secretary of the Committee, as envisaged under law.

Four Audit Committee Meetings were held during the financial year 2022-23, the dates of which were 05.05.2022, 04.08.2022, 08.11.2022 and 08.02.2023.

The attendance of members is as follows:

Name of Directors	Category	No. of Meetings attended/held
Mr. V. Ranganathan	Chairman	4/4
Mrs. Radha Unni	Member	4/4
Mr. E. Nandakumar	Member	4/4

Mr. Ranganathan, as Chairman of the Audit Committee, was present at the Annual General Meeting of the Company, held on 04th August, 2022.

4. NOMINATION AND REMUNERATION COMMITTEE

As per Regulation 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee shall comprise of atleast three Directors, all of them shall be Non-Executive Directors and at least 50% of the Directors shall be Independent Directors. Accordingly, the Committee comprised of Mr. E. Nandakumar as Chairman, Mr. Yoichiro Sakuma and Mrs. Radha Unni as members, all three being Independent Directors. The Company had the requisite number of members in the Committee for the year 2022-23.

The terms of reference of the Committee include recommending remuneration and terms and conditions of appointment of Executive Directors and Senior Management Personnel. The role of the Committee shall include formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees and criteria for evaluation of performance of Independent Directors and the Board of Directors. During the year 2022, the Nomination and Remuneration Committee held a Meeting on 19.02.2022.

The attendance of members is as follows:

Name	Category	No. of Meetings attended/held
Mr. E. Nandakumar	Chairman	1/1
Mr. Yoichiro Sakuma	Member	1/1
Mrs. Radha Unni	Member	1/1

Performance Evaluation Criteria for Independent Directors

Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The criteria for evaluation of performance of Independent Directors are as follows:

* Highest Personal and Professional ethics, integrity and values.
* Inquisitive and objective perspective, practical wisdom and mature judgment.
* Demonstrated intelligence, maturity, wisdom and independent judgment.
* Self - confidence to contribute to Board deliberations, and stature such that other Board members will respect his or her view.
* The willingness and commitment to devote the extensive time necessary to fulfill his/her duties.
* The ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others.
* The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable Company or Organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.
* Commitment, including guidance provided to the Senior Management outside of Board/Committee Meetings.
* Effective deployment of knowledge and expertise.
* Effective management of relationship with various stakeholders.
* Independence of behavior and judgement.
* Maintenance of confidentiality of critical issues.

5. REMUNERATION OF DIRECTORS

The Remuneration Policy is directed towards rewarding performance based on review of achievements, which is in consonance with the existing industry practices.

(a) Non Executive Directors have no pecuniary relationship with the Company, apart from the sitting fees paid for attending the meetings as below:

Name	Sitting fees (₹)
Mr. APM Mohammed Hanish IAS*	1,25,000/-
Mr. M.G. Rajamanickam IAS *	25,000/-
Mr. S. Harikishore IAS*	25,000/-
Mr. Koichi Ogata	Nil
Mrs. Radha Unni	2,75,000
Mr. E. Nandakumar	2,50,000
Dr. Justice M. Jaichandren (Retd)	2,00,000
Mr. Yoichiro Sakuma	1,00,000
Mr. V. Ranganathan	2,75,000
Mr. Sajiv K. Menon	1,25,000
Prof (Dr) M.K. Chandrasekharan Nair	1,50,000

* Being Nominee Directors, sitting fees were paid to KSIDC

(b) Since Non-Executive Directors are not eligible for any remuneration other than sitting fee for attending Meetings, there is no criteria determined for their remuneration.

(c) Details of Remuneration for the Financial Year 2022-23

Name	Salary (in ₹)	PF (in ₹)	Incentive (in ₹)	Other Benefits (in ₹)	Total (in ₹)
Executive Directors:					
a) Managing Director: Mr. Philip Chacko M	46,80,000	5,61,602	47,95,400	64,56,467	1,64,93,469
b) Whole Time Director: Dr. Shinya Takahashi	16,20,000	-	-	8,26,506	24,46,506

Notice Period for the aforementioned Executive Directors is Three (3) months.

Details of performance linked incentive - Managing Director

Amount in ₹

Incentive Criteria	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month	Achievement in %	Amount/ month
Actual Consolidated Net Profit before Tax in current period as compared to that as per Board Budget for the same period	Upto 50%	1,24,875	50.01 to 80	1,56,094	80.01 to 100	1,87,313	100.01 to 110	2,49,750	Above 110.01	2,99,700
Increase in Total Revenue (consolidated) in current period compared to corresponding previous year.	Upto 5%	41,625	5.01 to 7.50	52,031	7.51 to 10	62,438	10.01 to 15	83,250	Above 15.01	99,900
Total		1,66,500		2,08,125		2,49,750		3,33,000		3,99,600

No Stock option was issued during the period.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board had set up a Stakeholders' Relationship Committee to consider and resolve the grievances of the security holders of the Company. The Committee during the year consisted of three Directors with, Dr. Justice M. Jaichandren (Retd.), Chairman, Dr. Shinya Takahashi and Mr. Philip Chacko M as members.

a. Name and designation of Compliance Officer: Mr. Vinod Mohan, Company Secretary.
b. Number of Shareholder complaints received during the financial year 2022-2023: Nil
c. Number not solved to the satisfaction of the Shareholders: Nil
d. Number of pending complaints: Nil

A Stakeholders' Relationship Committee Meeting was held during the financial year 2022-23 on 06.03.2023.

Name	No. of Meetings attended/held
Dr. Justice M. Jaichandren (Retd.), Chairman	1/1
Dr. Shinya Takahashi	1/1
Mr. Philip Chacko M	1/1

Dr. Justice M. Jaichandren (Retd.), Chairman of the Stakeholders' Relationship Committee, was present at the Annual General Meeting of the Company, held on 04th August, 2022

7. GENERAL BODY MEETINGS:

(a) Date, Time and Location of three preceding Annual General Meetings

AGM	Financial Year	Day	Date	Time	Location
46th	2022	Thursday	04.08.2022	10.00 A.M	Video Conferencing (VC)
45th	2021	Tuesday	03.08.2021	10.00AM	Video Conferencing (VC)
44th	2020	Tuesday	04.08.2020	10.00AM	Video Conferencing (VC)

(b) Special resolutions have been passed at the last three Annual General Meetings as under:

Date of AGM	Nature of Special Resolution
04.08.2022	1. Appointment of Prof. (Dr) M.K. Chandrasekharan Nair (DIN: 09572230) as Independent Director
03.08.2021	Nil
04.08.2020	1. Re-appointment of Mrs. Radha Unni (DIN: 03242769) as Independent Director 2. Re-appointment of Mr. Sajiv K. Menon (DIN: 00168228) as Managing Director of the Company 3. To approve payment of remuneration to Dr. Shinya Takahashi (DIN: 07809828) Whole Time Director in the wake of inadequacy of profits for the financial year

(c) Details of Special Resolution passed through Postal Ballot during the financial year:

No Special Resolutions were passed through Postal Ballot following the procedure prescribed under Section 110 of the Companies Act, 2013 and Rules thereon during the financial year.

(d) The Company does not intend as of now to pass any special resolution through Postal Ballot during the financial year 2023-24; which if at all conducted, shall follow the procedure prescribed under Section 110 of the Companies Act, 2013 and Rules thereon, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

8. MEANS OF COMMUNICATION

Quarterly results are published in prominent newspapers namely the Business Line/Financial Express (English) and Mangalam (Malayalam). Immediately after the approval of the Board, the financial results are submitted to BSE Limited where the shares of the Company are listed and the same is also uploaded regularly in the Company web site www.gelatin.in and BSE listing Centre. Official news releases and presentations made to institutional investor/analyst, if any, shall also be in line with the above.

9. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting - date, time & venue: Video Conferencing/Other Audio Visual Means on 04th August, 2023 at 10.30 A.M.

ii) Financial Year: 1st April 2022 to 31st March 2023.

iii) Dividend payment date: (if declared at the Annual General Meeting) latest by 02.09.2023.

iv) The Company's Equity Shares are listed on the following Stock Exchange and the annual listing fee to such Stock Exchange has been paid:

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

v) Stock Code: 506532 (BSE)

vi) Market price data (monthly High and Low) of the Company's Equity shares traded on BSE Ltd, in comparison to BSE Sensex during the period April, 2022 to March, 2023 is given below.

Year	Month	Market price of Company shares		BSE Sensex	
		High	Low	High	Low
2022	April	321.00	278.10	60845.10	56009.07
	May	364.00	286.30	57184.21	52632.48
	June	372.40	296.00	56432.65	50921.22
	July	362.00	313.00	57619.27	52094.25
	August	498.00	330.10	60411.20	57367.47
	September	529.00	427.30	60676.12	56147.23
	October	630.00	493.00	60786.70	56683.40
	November	747.00	502.05	63303.01	60425.47
	December	785.00	611.00	63583.07	59754.10
2023	January	670.00	560.00	61343.96	58699.20
	February	724.00	567.05	61682.25	58795.97
	March	970.00	632.60	60498.48	57084.91

vii) The securities of the Company are not suspended from trading during the year.

viii) Registrars and Share Transfer Agents:
With effect from 1st April 2003, the Company has appointed Cameo Corporate Services Limited, 'Subramanian Building', 1, Club House Road, Chennai-600 002 as Registrars & Share Transfer Agents to deal with both physical and electronic Share Registry.

ix) Share transfer system
SEBI Vide Press Release No. 12/2019 dated March 27, 2019, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Share Transfer Committee comprised of Mrs. Radha Unni as Chairperson and Mr. Philip Chacko M, Managing Director as members.

During the year, the Company obtained, a certificate from a Company Secretary in Practice certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

x) Distribution of Shareholding and Shareholder's Profile:

a) Distribution of Shareholding as at 31st March, 2023

No of Equity Shares held	No. of Shareholders	% of Shareholders	Shareholding				
			Physical	NSDL	CDSL	Total	% of Shareholding
1-1000	7997	95.9793	103925	455235	325828	884988	9.7474
1001-5000	259	3.1084	13298	295457	242869	551624	6.0757
5001-10000	42	0.5040	6066	179101	97403	282570	3.1122
10001 and above	34	0.4080	0	7160062	199916	7359978	81.0645
Total	8332	100	123289	8089855	866016	9079160	100

b) Shareholders Profile as on 31st March, 2023

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Resident	7655	91.88	2060952	22.70
Financial Institutions	1	0.01	6066	0.07
NRIs	154	1.85	51170	0.56
Corporate Bodies	77	0.92	127271	1.40
Clearing Member	15	0.18	1633	0.02
Mutual Funds	6	0.07	4239	0.05
Banks	2	0.02	166	0.00
IEPF	335	4.03	44999	0.5
Promoters & Promoter Group	2	0.02	6762520	74.48
Employees	85	1.02	20144	0.22
Total	8332	100	9079160	100

xi) Dematerialisation of Shares & liquidity;

As at 31st March, 2023, there were 8955871 shares, representing 98.64 % of Equity Paid-up Share Capital in dematerialised form. This includes 8089855 shares (89.10%) in NSDL and 866016 shares (9.54%) in CDSL. No shares were re-materialised during the year. The Company's equity shares are liquid and actively traded shares on BSE Ltd.

xii) Outstanding GDRs/ADRs Warrants or any Convertible instruments, conversion date and likely impact on Equity (as on 31.3.2023) - Nil

xiii) The Company broadly follows a Policy of hedging for foreign currency receivables of about 60% of the exchange receivables. The appropriate hedging rates are based on Company's budgeted rates, market factors and related developments.

xiv) Plant Locations

The Company's Plants are located at:

1. Kathikudam P.O., Via. Koratty,
   Thrissur District, PIN - 680 308.
2. Kinfra Export Promotion Industrial Parks Ltd.,
   PB. No.3109, Kusumagiri P.O.,
   Ernakulam District, PIN - 682 042.
3. District Industrial Estate, Aroor,
   Cherthala Taluk, Alappuzha.
4. 832, GIDC Jhagadia, Jhagadia,
   Bharuch, Gujarat - 393110

xv) Address for investor correspondence:

1. CAMEO Corporate Services Ltd,
   'Subramanian Building',
   No 1, Club House Road, Chennai - 600 002
   Tel: 044-40020700
   Email: investor3@cameoindia.com
2. Nitta Gelatin India Limited,
   56/715, SBT Avenue
   Panampilly Nagar, Kochi - 682 036, Kerala
   Tel: 0484 2864400
   Email: investorcell@nitta-gelatin.co.in

xvi) List of all credit ratings obtained by the entity along with any revisions thereto during the financial year, for all debt instruments of the Company or any fixed deposits programme or any scheme or proposal of the Company involving mobilization of funds whether in India or abroad- Nil

10. OTHER DISCLOSURES

(a) There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries which have/may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions with Related Parties are given in the Notes to the Accounts (See Note No. 3.29 of Standalone Financial Statement). The Company has taken omnibus approval of the Audit Committee for Related Party Transactions. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The web link where policy on dealing with Related Party Transactions is as follows: https://gelatin.in/uploads/homecontent/Related%20Party%20Transactions%20Policy%20modified%206_20220511051434.pdf

(b) There were no instances of non-compliance by the Company leading to imposition of penalties, strictures by the Stock Exchange or SEBI or any other statutory authority, on matters related to capital markets during the last three years.

(c) No personnel of the Company has been denied access to the Audit Committee of the Company (in respect of matters involving alleged misconduct). The Company has provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The Company has adopted measures for airing concerns about unethical behavior, both for the Directors and employees. This has been made part of the machinery of Audit Committee and informed in the official website of the Company. A mention of the same is also made in the report of the Directors. Pursuant to proviso to Section 177 (10) of the Companies Act, 2013 a ‘Vigil Mechanism’ has been constituted as a part of the function of Audit Committee of Board. The Vigil Mechanism provides for adequate safeguards against victimization of Directors or employees or any other person who avail the mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate cases. The Committee oversees the Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company’s Code of Conduct or Ethics Policy.

(d) All mandatory requirements have been complied with while non-mandatory requirements complied have been reported in Para 12 herein below.

(e) The Company has formulated a material subsidiary policy which has been disclosed in the Company website. Besides, mention is also made in the Board’s Report. The web link where policy for determining Material Subsidiaries is as follows:

http://gelatin.in/uploads/homecontent/Material%20Subsidiary%20Policy_20200904010937.pdf

(f)The web link where policy on dealing with related party transactions is disclosed is as follows:

https://gelatin.in/uploads/homecontent/Related%20Party%20Transactions%20Policy%20modified%206_20220511051434.pdf

(g) The Company does not deal in commodity hedging activities and is therefore free from any risk arising there from.

(h) The Company has not raised any funds through preferential allotment or qualified institutional placement as per Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year.

(i) Certificate from Practising Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any statutory authority is separately enclosed.

(j) There are no pending recommendations from any Committee of the Board which necessitates the approval of the Board during the financial year.

(k) Total fee paid by the Company and its Subsidiary to the Statutory Auditor on a consolidated basis:
₹ 29,35,000.

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013;

a. Number of complaints filed during the financial year - Nil

b. Number of complaints disposed of during the financial year - Nil

c. Number of complaints pending as on end of the financial year - Nil

(m) disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/ companies in which Directors are interested by name and amount:

The Board of Directors of Bamni Proteins Limited i.e. subsidiary at its meeting held on 06.02.2023 has approved granting of loan for an amount upto ₹ 10 Crores (Rupees Ten Crores Only) at an interest rate of 8% per annum on such terms and conditions mutually agreed and same was approved by the Board Directors of Nitta Gelatin India Limited on 08.02.2023.

(n) Bamni Proteins Ltd incorporated on 18th December, 1997 with the Registered Office at Kochi, Kerala is the material subsidiary. The statutory auditors of Bamni Proteins Limited is M/s Walker Chandiok & Co, LLP who were reappointed for a period of five years at the 22nd Annual General Meeting of the Company held on 25th June, 2019 from the conclusion of that meeting until the conclusion of the 27th Annual General Meeting.

11. The requirements of Sub paras (2) to (10) of the Corporate Governance Report as above have been complied with during the financial year ended 31.03.2023.

12. The Company has adopted discretionary requirements as per Part E of Schedule II, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as follows:
    a) The Company has appointed separate persons to the post of Chairperson and Managing Director.
    b) The Internal Auditors report directly to the Audit Committee of the Board.

13. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub Regulation (2) of Regulation (46) during the financial year ended 31.03.2023.

14. Designated e-mail id for investor complaints/ grievance redressal: investorcell@nitta-gelatin.co.in
15. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account
    (a) Aggregate number of Shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year: Nil
    (b) number of Shareholders who approached listed entity for transfer of shares from Suspense Account during the year; Nil
    (c) number of Shareholders to whom shares were transferred from Suspense Account during the year; Nil
    (d) aggregate number of Shareholders and the outstanding shares in the Suspense Account lying at the end of the year; Nil
    (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Note:

(1) Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participant.

For and on behalf of the Board of Directors

Sd/-
APM MOHAMMED HANISH IAS
Chairman
DIN: 02504842

08.05.2023
Kochi

CEO/CFO Certificate
(Regulation 17(8) of SEBI LODR Regulations, 2015)

We, Philip Chacko M, Managing Director and P. Sahasranaman, Chief Financial Officer of the Company, to the best of our knowledge and belief hereby certify that:

A. We have reviewed financial statements and the Cash Flow Statement for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and Audit Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
PHILIP CHACKO M
MANAGING DIRECTOR
DIN: 01219764

Sd/-
P. SAHASRANAMAN
CHIEF FINANCIAL OFFICER

Date: 08.05.2023
Place: Kochi

DECLARATION OF COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS

(Under Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015)

As per the affirmations received from the Directors and Senior Executives of the Company, the Directors and Senior Executives have complied with the provisions of the Code of Business Conduct and Ethics applicable to Directors and Senior Executives of the Company for the financial year ended 31st March, 2023.

Date: 08.05.2023
Place: Kochi

Sd/-
Philip Chacko M
Managing Director
DIN: 01219764

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
56/715, SBT Avenue, Panampilly Nagar,
Ernakulam, Kochi - 682 036.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nitta Gelatin India Limited having CIN: L24299KL1975PLC002691 and having registered office at 56/715, SBT Avenue, Panampilly Nagar, Ernakulam, Kochi-682036 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	APM Mohammed Hanish IAS	02504842	15/02/2022
2	S. Harikishore IAS	06622304	04/08/2022
3	Koichi Ogata	07811482	09/05/2017
4	Radha Unni	03242769	11/07/2014
5	E. Nandakumar	01802428	29/10/2018
6	Dr. Justice M. Jaichandren (Retd.)	08584025	04/11/2019
7	V. Ranganathan	00550121	27/04/2021
8	Yoichiro Sakuma	08237722	29/10/2018
9	Prof (Dr) M.K. Chandrasekharan Nair	09572230	06/05/2022
10	Sajiv K. Menon	00168228	06/05/2022
11	Philip Chacko M	01219764	01/04/2022
12	Shinya Takahashi	07809828	09/05/2017

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F010876E000123120
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Sd/-
Abhilash Nediyalil Abraham
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No.14524
Bldg. No. 46/2504-B, Haritha Road,
Vennala, Kochi-682028

Place: Kochi
Date: 17.04.2023

CERTIFICATE

The Members
Nitta Gelatin India Limited
Kochi – 36

I have examined relevant records of Nitta Gelatin India Limited ('the Company') for the purpose of certifying compliance of conditions of Corporate Governance as per Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation") for the financial year ended 31st March, 2023. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company management. My examination was limited to procedures and implementation thereof. This Certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statement of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with conditions of Corporate Governance as per Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation") for the financial year ended 31st March, 2023.

UDIN: F010876E000123197
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Sd/-
Abhilash Nediyalil Abraham
B.B.A, LL.B, F.C.S
Practising Company Secretary
M.No. F10876, C.P. No.14524
Bldg No. 46/2504-B, Haritha Road,
Vennala, Kochi - 682028

Place: Kochi
Date: 17.04.2023

Independent Auditor's Report

To the Members of Nitta Gelatin India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Nitta Gelatin India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('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, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 Standalone Financial Statements 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
(a) Provisions and contingent liabilities relating to litigations (Refer note 3.31 of the accompanying standalone financial statements): Following are the significant matters relating to litigations that are outstanding as at 31 March 2023: i.Customs duty: INR 1,968.36 Lakhs ii.Other tax matters: INR 613.79 Lakhs The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. Key judgments are also made by the management in estimating the amount of liabilities, provisions and/or contingent liabilities related to aforementioned litigations. Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.	Our audit work included, but was not limited to the following procedures: • Obtained an understanding of the management process for: - identification of legal and tax matters initiated against the Company, -assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and -measurement of amounts involved. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained an understanding of the nature of litigations pending against the Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Company. Tested the independence, objectivity and competence of such management experts involved. • On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and/ or disclosure of contingent liabilities in respect of each such litigation selected for testing. • Obtained independent opinion/ confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims. • Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements. • Assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations. • Involved our tax specialists to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents. • Evaluated the disclosures made under provisions and contingent liability for their appropriateness in accordance with the applicable accounting standards.

Key audit matters	How our audit addressed the key audit matters
(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 3.01 of the accompanying standalone financial statements) As at 31 March 2023, the Company is carrying Property, Plant and Equipment ('PPE') aggregating to INR 10,783.00 lakhs in its financial statements. These balances are subject to a test of impairment by the management where impairment indicators exist. As mentioned in note 3.01(f) to the standalone financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at 31 March 2023, in the manner prescribed under Ind AS 36 – Impairment of Assets, the total provision for impairment of assets carried in the books is INR 531.95 lakhs as on 31 March 2023. Fair value and value-in-use of such PPE for the determination of the recoverable amounts involves significant judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, identification of group of assets, reasonable and consistent allocation of corporate assets, future cash flow projections made by the management using internal and external assumptions and using appropriate discount rate. As a result of such judgements and significance of the amounts involved, the matter has been identified as a key audit matter in the current year audit.	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of the management process and performed a walkthrough to evaluate design effectiveness and tested operating effectiveness of key controls around identification of impairment indicators, impairment testing of property plant and equipment which include identification of cash generating units at which level such impairment testing is required to be performed. • Obtained the business plans of the Company for the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Obtained the impairment analysis carried out by the management and report from valuation specialist engaged by the Management. Tested the assumptions used for determination of value-in-use of the cash generating unit. • Performed sensitivity analysis in respect of the key assumptions used, including revenue growth rates, cost reduction targets and discount rate to verify appropriateness of such assumptions. • Compared the actual results of estimates made in prior period to assess accuracy of management's estimates. • Assessed appropriateness of the disclosures made by the management for impairment assessment of carrying value of PPE.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

   Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 these financial statements.

11. As part of an audit in accordance with 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 financial statements, 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 adequate internal financial controls system 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 management;
    - 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 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) The standalone financial statements dealt with by this report are in agreement with the books of account;
    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company, as detailed in note 3.31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
        ii. The Company, as detailed in note 3.16.1 to the standalone financial statements, has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
        iv.
            a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 3.45.1 (c) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 3.45.1 (c) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
            c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
        v. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

           As stated in note 3.11(f) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 23206229BGYTQI4563

Place: Kochi
Date: 8 May 2023

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3.01 to the standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Koratty, Thrissur with gross carrying value of INR 188.38 lakhs which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in note 3.45.2 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were subject to review, except for the following:

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2023

Name of the Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return	Information as per books of accounts	Difference
State Bank of India	4,530	Inventories (net of trade payables) Trade receivables	June 2022	8,076.43 7,468.97	7,520.54 7,294.17	555.89 174.80
Standard Chartered Bank	600					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,000					
State Bank of India	4,530	Inventories (net of trade payables)	September 2022	7,918.12	7,534.31	383.81
Standard Chartered Bank	600					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,000					
State Bank of India	4,530	Inventories (net of trade payables) Trade receivables	December 2022	8,631.94 8,419.79	8,331.42 8,380.23	300.52 39.56
Standard Chartered Bank	600					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,000					
State Bank of India	4,530	Inventories (net of trade payables) Trade receivables	March 2023	7,972.70 7,759.16	7,166.51 7,805.00	806.19 (45.84)
Standard Chartered Bank	600					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,000					

(iii)

(a) The Company has provided loans to others during the year as per details given below:

Particulars	Loans (INR in Lakhs)
Aggregate amount provided/granted during the year: - Others (employees)	7.30
Balance outstanding as at balance sheet date in respect of above cases: - Others (employees)	9.86

(b) The company has not made any investment, provided any guarantee, given any security or granted any advances in the nature of loans during the year. In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are not, prima facie, prejudicial to the company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments / receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2023

security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though customs duty has not generally been regularly deposited with the appropriate authorities and there has been significant delay in a case. Undisputed amount payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Customs Act, 1962	Custom duty	30.99	FY 2021-22	5 November 2021	-	-

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2023

Name of the statute	Nature of dues	Gross Amount (INR in Lakhs)	Amount paid under Protest (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income tax	178.84	95.74	AY 2009-10 to 2018-19	Commissioner of Income Tax (Appeals)	-
Kerala Value Added Tax Act, 2003	Value Added Tax	12.37	12.37	FY 2009-10	Deputy Commissioner, Sales Tax, Kochi	-
Central Sales Tax Act, 1956	Central Sales Tax	43.91	-	FY 2011-12, 2013-14 and 2014-15	Deputy Commissioner of Sales Tax (Appeals)	-
Customs Act, 1962	Custom duty	1,968.36	65.78	FY 2011-12 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	-
Central Excise Act, 1944	Central excise	350.75	-	2010-11, 2011-12 and 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	-
Central Excise Act, 1944	Central excise	7.21	0.36	FY 2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	-
Finance Act, 1994	Service tax	35.50	1.39	FY 2010-11 to 2012-13	Commissioner (Appeals)	-
Finance Act, 1994	Service tax	3.67	0.18	FY 2011-12	Commissioner (Appeals)	-
Finance Act, 1994	Interest on service tax demands	46.22	-	FY 2010-11 to 2012-13	Commissioner (Appeals)	-
Central Excise Act, 1944	Central excise	123.13	-	FY 2016-17 and 2017-18		-

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2023

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit, except one matter identified by the management as explained in Note 3.44 to the standalone financial statements relating to an employee who in collusion with vendors is suspected to have manipulated certain purchase and weighment records of a raw material which resulted in making excess payments to two vendors. The estimated financial impact of the matter based on the investigation conducted by the management is INR 200.63 lakhs spread over two years which, in management's view, is not material and does not require an adjustment to the accompanying financial statements as described in the said note.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) The whistle blower complaints received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Nitta Gelatin India Limited on the standalone financial statements for the year ended 31 March 2023

to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalonefinancial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 23206229BGYTQI4563

Place: Kochi
Date: 8 May 2023

Annexure II Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Nitta Gelatin India Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial

controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 23206229BGYTQI4563

Place: Kochi
Date: 8 May 2023

Nitta Gelatin India Limited
Standalone Balance Sheet as at 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3.01	10,783.00	10,179.95
(b) Capital work-in-progress	3.01	654.65	711.00
(c) Other intangible assets	3.02	85.77	52.69
(d) Financial assets			
(i) Investments	3.03	450.84	449.68
(ii) Loans	3.04	6.41	3.80
(iii) Other financial assets	3.05	401.82	387.55
(e) Non-current tax assets (net)		716.47	1,156.11
(f) Other non-current assets	3.06	1,218.04	902.50
		14,317.00	**13,843.28**
Current Assets			
(a) Inventories	3.07	8,501.45	9,201.53
(b) Financial assets			
(i) Trade receivables	3.08	7,853.94	7,580.15
(ii) Cash and cash equivalents	3.09	1,000.20	14.70
(iii) Bank balances other than cash and cash equivalents	3.10	59.86	80.41
(iv) Loans	3.04	3.45	2.89
(v) Other financial assets	3.05	115.03	119.45
(c) Other current assets	3.06	740.15	730.87
		18,274.08	**17,730.00**
Total Assets		**32,591.08**	**31,573.28**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3.11	907.92	907.92
(b) Other equity	3.12	23,086.40	17,563.76
		23,994.32	**18,471.68**
LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	685.44	675.86
(b) Provisions	3.17	133.89	329.24
(c) Deferred tax liabilities (net)	3.14	187.47	528.95
		1,006.80	**1,534.05**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	2,631.03	7,289.58
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	3.15	427.02	230.26
b) Total outstanding dues of creditors other than micro and small enterprises	3.15	2,424.91	1,657.43
(iii) Other financial liabilities	3.16	634.93	427.58
(b) Other current liabilities	3.18	629.27	768.16
(c) Provisions	3.17	248.00	413.33
(d) Current tax liabilities (net)		594.80	781.21
		7,589.96	**11,567.55**
Total Equity and Liabilities		**32,591.08**	**31,573.28**

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Balance Sheet referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	3.19	48,675.34	42,851.78
Other income	3.20	531.07	580.08
Total income		**49,206.41**	**43,431.86**
EXPENSES			
Cost of materials consumed	3.21	23,280.96	22,796.89
Changes in inventories of finished goods and work-in-progress	3.22	(36.52)	(58.68)
Employee benefits expense	3.23	4,459.29	4,183.81
Finance costs	3.24	335.25	465.42
Depreciation and amortisation expenses	3.25	1,319.44	1,359.45
Other expenses	3.26	12,039.65	10,923.91
Total expenses		**41,398.07**	**39,670.80**
Profit before tax		**7,808.34**	**3,761.06**
Tax expense			
Current tax		2,275.75	1,124.00
Deferred tax credit	3.36	(343.86)	(22.64)
Profit for the year		**5,876.45**	**2,659.70**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
a) Re-measurement gain/(losses) on defined benefit plans		23.88	(181.52)
Income tax relating to item that will not be reclassified to profit or loss		(6.01)	52.86
		17.87	**(128.66)**
b) Measurement of financial assets through other comprehensive income		1.16	5.48
Income tax relating to item that will not be reclassified to profit or loss		(0.24)	(1.14)
		0.92	**4.34**
Net of items that will not be reclassified subsequently to profit or loss:		**18.79**	**(124.32)**
Items that will be reclassified subsequently to profit or loss:			
a) Loss recognised on cash flow hedges		(13.31)	(143.36)
Income tax relating to items that will be reclassified to profit or loss		3.87	41.75
Net of items that will be reclassified subsequently to profit or loss:		**(9.44)**	**(101.61)**
Total other comprehensive income/(loss), net of tax		**9.35**	**(225.93)**
Total comprehensive income for the year		**5,885.80**	**2,433.77**
Earnings per equity share (₹ per share)	3.27		
Basic		64.72	29.29
Diluted		64.72	29.29

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

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

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Place: Kochi
Date: 8 May 2023

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited
Standalone Cash Flow Statement for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
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
(Gain)/loss on disposal of property, plant and equipment (net)	104.82	(0.45)
Provision for impairment on 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 refund/(paid) (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 beginning of the year	**14.70**	**69.99**
Cash and cash equivalents at the end of the year	**1,000.20**	**14.70**
	985.50	**(55.29)**
Components of cash and cash equivalents (Refer Note 3.09)		
a) Cash on hand	1.75	2.20
b) Balance with banks:		
in current accounts	998.45	12.50
- in deposit accounts with a maturity of less than three months	-	-
	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 1 April 2021	Cash flows	Non cash changes	As at 31 March 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

Nitta Gelatin India Limited

Standalone Cash Flow Statement for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at 1 April 2022	Cash flows	Non cash changes	As at 31 March 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

The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Cash Flow Statement referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

	Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1) For the period from 1 April 2022 to 31 March 2023	907.92	-	907.92

	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
2) For the period from 1 April 2021 to 31 March 2022	907.92	-	907.92

B. Other equity

	Equity component of compound financial instruments	Reserves and Surplus						Items of other comprehensive income			Total
		Securities premium	Retained earnings	Capital redemption reserve	Special export reserve	Capital reserve due to merger	General reserve	Effective portion of Cash flow hedges	Equity instruments through other comprehensive income	Other items of other comprehensive income / (loss)	
Balance as at 1 April 2022	**984.43**	**2,895.90**	**3,296.00**	**-**	**79.00**	**2,750.62**	**7,836.64**	**9.44**	**15.28**	**(303.55)**	**17,563.76**
Profit for the year	-	-	5,876.45	-	-	-	-	-	-	-	**5,876.45**
Other comprehensive income	-	-	-	-	-	-		(9.44)	0.92	17.87	**9.35**
Transfer	-	-	(1,580.00)	1,580.00	-	-	-		-	-	**-**
Dividend paid during the year	-	-	(363.16)	-	-	-	-	-	-	-	**(363.16)**
Balance as at 31 March 2023	**984.43**	**2,895.90**	**7,229.29**	**1,580.00**	**79.00**	**2,750.62**	**7,836.64**	**-**	**16.20**	**(285.68)**	**23,086.40**
Balance as at 1 April 2021	**984.43**	**2,895.90**	**908.67**	**-**	**79.00**	**2,750.62**	**7,836.64**	**111.05**	**10.94**	**(174.89)**	**15,402.36**
Profit for the year	-	-	2,659.70		-	-	-	-	-	-	**2,659.70**
Other Comprehensive income	-	-	-		-	-	-	(101.61)	4.34	(128.66)	**(225.93)**
Transfer to General Reserve	-	-	-		-	-	-	-	-	-	**-**
Dividend paid during the year	-	-	(272.37)		-	-	-	-	-	-	**(272.37)**
Balance as at 31 March 2022	**984.43**	**2,895.90**	**3,296.00**	**-**	**79.00**	**2,750.62**	**7,836.64**	**9.44**	**15.28**	**(303.55)**	**17,563.76**

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

1. General Information:

Nitta Gelatin India Limited ('the Company'/'NGIL'), a public limited company, operates in the business of manufacture and sale of ossein, gelatin and collagen peptide. The Company's shares are listed for trading on BSE Limited in India. The address of the Registered office of the Company is 56/715, SBT Avenue, PB No. 4262, Panampilly Nagar, Kochi, Kerala, PIN - 682036.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 8 May 2023.

2. Summary of significant accounting policies

a) Basis of accounting and preparation

These Financial Statements are the separate Financial Statements of the Company (also called Standalone Financial Statements), prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable and the guidelines issued by the Securities and Exchange Board of India.

The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

The Financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The accounting policies have been applied consistently over all the periods presented in this financial statements except where newly issued accounting standard is initially adopted.

Previous year figures have been re-grouped reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

b) Use of estimates

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the Financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Classification of leases

The Company enters into leasing arrangements for some assets. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note no. 3.35, for effect of transition to Ind AS 116 and other disclosures relating to leases.

ii. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iii. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

b) Use of estimates *(cont'd)*

estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

iv. Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

v. Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

vi. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

vii. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

viii. Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstsanding receivables and advances.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

d) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

The cost and related accumulated depreciation are

(All amounts are in ₹ Lakhs, unless otherwise stated)

eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates Property, plant and equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

Asset Category	Useful lives (in years)
Factory Building	30
Office Building	60
Plant and Equipment	5 to 25
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

e) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Company amortise intangible assets over their estimated useful lives using the Written Down Value Method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of Promised goods or services to a customer at an amount that reflect the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price, net of variable consideration and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

i. Sale of goods

Revenue from the sale of goods is recognized when the control on the goods have been transferred to the customers. The Performance obligation in case of sale of goods is satisfied at a point of time, i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

ii. Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iii. Export Incentives

Income from export incentives are recognised when the right to receive credit as per the terms of the scheme is established and when there is certainty of realisation.

iv. Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

v. Rental income

Rental income arising from operating leases is accounted for over the lease terms and is included in other income in the statement of profit or loss.

h) Employee benefits

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Company recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company has defined contribution plans for employees comprising of Superannuation Fund, Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

Defined benefit plan:

Gratuity

Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the Company make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Long term employee benefits:

Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service and interest cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

h) Employee benefits *(cont'd)*

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

i) Leases

Effective from 1 April 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1 April 2019 using the modified retrospective method on the date of initial application i.e. 1 April 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

j) Foreign currency transactions

i. Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These Financial Statements are presented in Indian Rupees (₹).

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Inventories

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realisable value of bought out inventories is taken at their current replacement value.

m) Research and development

Revenue expenditure (net of recoveries) pertaining to research is charged to the Statement of Profit and Loss in the year in which it is incurred. Costs of development of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expediture that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

n) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

o) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation

(All amounts are in ₹ Lakhs, unless otherwise stated)

and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets deferred tax assets and deferred tax liabilities, if a legally enforceable right exists to setoff the current income tax asset against current income tax liabilities and the deferred taxes relate to the same taxation entity and the same taxation authority.

q) Provisions and contingencies

i. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

ii. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the Financial Statements.

iii. Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

r) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(FVTPL); and

iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met: a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
b) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depend on their classification, as described below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

ii. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

iii. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

iv. Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted foreign currency receivables. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that

(All amounts are in ₹ Lakhs, unless otherwise stated)

market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises of cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Dividend Distribution to Equity holders of the Company

Dividend to the companies Equity Shareholders are recognized when the dividends are approved for payment by the shareholders.

w) Assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment.

y) Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

z) Business Combinations of entities under common control

Business Combinations involving entities that are controlled by the Company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

i. The assets and liabilities of the combining entities are reflected at their carrying amounts.

ii. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

iii. The financial information in the Financial Statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Financial Statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

iv. The balance of the retained earnings appearing in the Financial Statements of the transferor is aggregated with the corresponding balance appearing in the Financial Statements of the transferee or is adjusted against general reserve.

v. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as capital reserves.

aa) Recent accounting pronouncements

Standards issued but not effective on Balance Sheet date:

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

a). Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b). Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c). Ind AS 8 Accounting policies, Changes in Acconting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01 Property, plant and equipment (PPE) & Capital work-in-progress

	Freehold land	Right of use asset leasehold land	Building	Plant & equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital work-in-progress
Gross carrying amount									
Balance as at 1 April 2021	**442.04**	**884.18**	**3,401.13**	**12,435.83**	**79.79**	**163.43**	**70.43**	**17,476.83**	**179.67**
Additions	-	-	121.53	567.99	8.04	37.42	44.27	779.25	690.81
Disposals	-	-	1.60	47.92	0.13	13.39	40.86	103.90	159.48
Balance as at 31 March 2022	**442.04**	**884.18**	**3,521.06**	**12,955.90**	**87.70**	**187.46**	**73.84**	**18,152.18**	**711.00**
Additions	-	267.88	167.14	1,458.43	9.01	33.58	41.31	1,977.35	768.76
Disposals	-	-	11.05	347.12	3.51	16.63	19.59	397.90	825.11
Balance as at 31 March 2023	**442.04**	**1,152.06**	**3,677.15**	**14,067.21**	**93.20**	**204.41**	**95.56**	**19,731.63**	**654.65**
Accumulated depreciation and impairment									
Balance as at 1 April 2021	**-**	**134.54**	**1,138.95**	**5,220.75**	**40.70**	**109.57**	**53.73**	**6,698.24**	**-**
Depreciation charge for the year (refer note 3.25)	-	9.10	199.02	1,085.21	10.95	30.39	6.13	1,340.80	-
Impairment loss (refer note f below)	-	-	-	22.00	-	-	-	22.00	-
Disposals	-	-	0.98	40.63	0.13	12.44	34.63	88.81	-
Balance as at 31 March 2022	**-**	**143.64**	**1,336.97**	**6,287.33**	**51.52**	**127.52**	**25.23**	**7,972.23**	**-**
Depreciation charge for the year (refer note 3.25)	-	9.35	191.24	1,020.45	9.83	36.98	23.12	1,290.97	-
Disposals	-	-	10.02	269.87	3.20	15.67	15.81	314.57	-
Balance as at 31 March 2023	**-**	**152.99**	**1,518.21**	**7,037.91**	**58.15**	**148.83**	**32.54**	**8,948.63**	**-**
Net carrying amount									
As at 31 March 2022	**442.04**	**740.54**	**2,184.07**	**6,668.57**	**36.18**	**59.94**	**48.61**	**10,179.95**	**711.00**
As at 31 March 2023	**442.04**	**999.07**	**2,158.94**	**7,029.30**	**35.05**	**55.58**	**63.02**	**10,783.00**	**654.65**

Note:

a. **Contractual obligations**
Refer note 3.32.

b. **Capitalised borrowing cost**
Borrowing costs capitalised during the year ended 31 March 2023 is ₹ 27.63 Lakhs (31 March 2022 : Nil).

c. **Property, plant and equipment and Capital work-in-progress pledged as security**
Refer note 3.28.

d. Additions to Plant and Equipment include Research & Development Assets capitalised during the year ₹ 4.02 Lakhs (31 March 2022 - ₹ 8.11 Lakhs) (Refer note 3.26.1)

e. The gross carrying value, accumulated depreciation and net carrying value as at 31 March 2023 and 31 March 2022 include the assets of M/s Reva Proteins Limited, erstwhile subsidiary company, (the 'Transferor company') which was merged with the Company w.e.f. 1 April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27 March 2019. The carrying value of assets and liabilities of the Transferor company as of 1 April 2017 was taken over and included in the values of assets and liabilities of the Company.

f. 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.

g. Right of Use Asset includes "Leasehold land" which represents land obtained on long term lease from various Government authorities. The same has been reclassified to Right of Use Assets on account of adoption of Ind AS 116 "Leases" (refer note 3.35)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01.01 Capital work-in-progress (CWIP)

CWIP ageing schedule

CWIP	Amount in CWIP as at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	456.43	184.31	10.94	2.97	654.65
Projects temporarily suspended	-	-	-	-	-

CWIP	Amount in CWIP as at 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	682.86	10.94	-	17.2	711.00
Projects temporarily suspended	-	-	-	-	-

There are no Capital Work in Progress which are overdue or has exceeded the costs compared to its original plan.

3.02 Other Intangible assets

	Software	Total
Gross carrying amount:		
Balance as at 1 April 2021	**94.48**	**94.48**
Additions	48.52	48.52
Disposals	-	-
Balance as at 31 March 2022	**143.00**	**143.00**
Additions	64.14	64.14
Disposals	2.59	2.59
Balance as at 31 March 2023	**204.55**	**204.55**
Accumulated amortisation		
Balance as at 1 April 2021	**71.66**	**71.66**
Amortisation for the year (refer note 3.25)	18.65	18.65
Balance as at 31 March 2022	**90.31**	**90.31**
Amortisation for the year (refer note 3.25)	28.47	28.47
Balance as at 31 March 2023	**118.78**	**118.78**
Net carrying amount		
As at 31 March 2022	**52.69**	**52.69**
As at 31 March 2023	**85.77**	**85.77**

Note:

Contractual obligations

There are no contractual obligations for the acquisition of intangible assets.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
3.03 Investments		
a) Investments in Equity Instruments		
At FVOCI, Quoted #		
(a) 4,200 (4,200) Equity Shares of ₹ 1 each in State Bank of India, fully paid up	21.93	20.77
(b) 100 (100) Equity Shares of ₹10 each in Industrial Finance Corporation of India Limited, fully paid up	0.01	0.01
Aggregate amount of quoted investments	**21.94**	**20.78**
Valued at cost, Unquoted		
Investment in subsidiary:		
(a) 3,500,000 (3,500,000) fully paid up Equity Shares of ₹10 each in Bamni Proteins Limited	350.00	350.00
At FVTPL, Unquoted		
(a) 60,000 (60,000) fully paid up Equity Shares of ₹10 each in Kerala Enviro Infrastructure Limited	6.00	6.00
(b) 300,000 (300,000) fully paid up Equity Shares of ₹10 each in Seafood Park India Limited	31.50	31.50
(c) 50,000 (50,000) fully paid up Equity Shares of ₹10 each in Cochin Waste 2 Energy Private Limited	5.00	5.00
Less: Provision for impairment of investments	(5.00)	(5.00)
(d) 414,000 (414,000) fully paid up equity shares of ₹10 each in Narmada Clean Tech Limited	41.40	41.40
Total	**428.90**	**428.90**
Grand Total	**450.84**	**449.68**
Aggregate amount of quoted investments	21.94	20.78
Aggregate market value of quoted investments	21.94	20.78
Aggregate amount of unquoted investments	433.90	433.9
Aggregate amount of impairment in value of investments	(5.00)	(5.00)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

	As at 31 March 2023	As at 31 March 2022
3.04 Loans		
Non-current		
(Unsecured, considered good)		
Loan to employees	6.41	3.80
	6.41	**3.80**
Current		
(Unsecured, considered good)		
Loan to employees	3.45	2.89
	3.45	**2.89**
3.05 Other financial assets		
Non-current		
(Unsecured, considered good)		
Security deposits	384.42	371.64
Earmarked balances with banks for unpaid dividend**	17.40	15.91
	401.82	**387.55**
Current		
(Unsecured, considered good)		
Security deposits	1.40	1.13
Advances recoverable in cash or in kind	97.78	72.88
Hedge asset (foreign exchange forward contract)	-	29.49
Others	15.85	15.95
	115.03	**119.45**

** Not due for deposit in the investor education and protection fund.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		As at 31 March 2023	As at 31 March 2022
3.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	i. Capital advance	157.99	98.32
	ii. Advances other than capital advances;		
	a. Other advances		
	Prepaid expenses	13.53	7.01
	iii. Others		
	Export incentive receivable [refer note (a) below]	937.95	630.74
	VAT refund receivable	42.78	88.27
	Deposit with government authorities	65.79	78.16
	(Unsecured, considered doubtful)		
	Export incentive receivable[refer note (a),(b) and (c) below]	199.28	213.88
	Less: Provision for doubtful receivable	(199.28)	(213.88)
		1,218.04	**902.50**
	Current		
	(Unsecured, considered good)		
	i. Advances other than capital advances;		
	Advances to suppliers and contractors	249.27	154.74
	Prepaid expenses	223.11	152.73
	ii. Others		
	Balances with statutory authorities	-	52.05
	Export incentive receivable/benefit (MEIS, RoDTEP & Advance authorisation)	267.77	371.35
		740.15	**730.87**

Export incentives receivable includes:

(a) Claims amounting to ₹ 208.18 Lakhs (31 March 2022: ₹ 208.18 Lakhs) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to ₹ 41.51 Lakhs (31 March 2022: ₹ 41.51 Lakhs). The Dy. Director General of Foreign Trade vide letter dt 3 October 2011 had informed the Company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The Company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. During an earlier year, though the Grievance Committee of the Directorate General of Foreign Trade have heard the Company's grievance application and remanded the matter back to the original adjudicating authorities for re-examining and for issuing necessary clarification based on the provisions of Foreign Trade Policy, the DGFT has denied the benefit of DEPP on the underlying exports on some other technical grounds.During the year the company has filed a writ petition before the High court of Kerala against the orders of DGFT denying the benefits. Though the management is of the opinion that these claims are fully recoverable, provision of ₹ 113.14 Lakhs has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of prudence.

(b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to ₹ 64.62 Lakhs (31 March 2022: ₹ 64.62 Lakhs) which has been decided against the Company by the division bench of the Hon'ble High Court of Kerala. The Company has sought further appeal before Hon'ble Supreme Court and although the Company is hopeful of favourable order, provision of ₹ 64.62 Lakhs has been created in respect of such disputed claims in the books of account as a matter of prudence.

(c) During the financial year ended 31 March 2022, Company had made a provision of ₹ 36.12 Lakhs towards All Industry Rate duty drawback claims which were pending for clearance by the Customs Department, out of which, during the current financial year, Company received a claim amount of ₹ 14.60 Lakhs. Balance provision of ₹ 21.52 Lakhs is carried in the books of accounts as at 31 March 2023.

		As at 31 March 2023	As at 31 March 2022
3.07	**Inventories**		
	Raw materials #	2,021.23	2,812.10
	Raw materials in-transit	72.16	-
	Work-in-progress	3,714.07	3,840.96
	Finished goods #	2,046.47	1,883.06
	Stores and spares #	547.71	589.94
	Packing materials	99.81	75.47
		8,501.45	**9,201.53**

The inventory balance for the year ended 31 March 2023 is net of provision created towards slow moving inventory of fish protein amounting to ₹ 866.59 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 ₹ 159.69 Lakhs is created towards provision for slow moving finished goods.

Method of valuation of inventories- refer 2(l) of significant accounting policies.

For inventories pledged as security and details of provision, refer note 3.28

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.08 Trade receivables

Unsecured		
Considered good	7,882.39	7,608.60
Credit impaired	4.60	4.60
Less: Loss allowance	(33.05)	(33.05)
	7,853.94	**7,580.15**

Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,882.36	-	-	-	0.03	**7,882.39**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance						**(33.05)**
Total Trade receivables						**7,853.94**

Trade receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,608.30	-	-	-	0.30	**7,608.60**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance	-	-	-	-	-	**(33.05)**
Total Trade receivables						**7,580.15**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days

	As at 31 March 2023	As at 31 March 2022
3.09 Cash and cash equivalents		
Balance with banks		
- In Current accounts	998.45	12.50
Cash on hand	1.75	2.20
	1,000.20	**14.70**
3.10 Bank balances other than cash and cash equivalents		
Balance with banks (with original maturity more than three months but less than twelve months)		
- In deposit accounts *	59.86	80.41
	59.86	**80.41**

* Balance with banks in deposit accounts include ₹ 59.86 Lakhs (31 March 2022: ₹ 80.41 Lakhs) with a maturity period of less than twelve months, which are held as security against Letter of Credits/ Guarantee and Buyers Credit.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.11 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised				
Equity share of ₹ 10 each	40,000,000	4,000	40,000,000	4,000
Optionally convertible non cumulative preference shares of ₹ 170 each	929,412	1,580	929,412	1,580
Optionally convertible non cumulative preference shares of ₹ 10 each	20,000,000	2,000	20,000,000	2,000
Redeemable preference shares of ₹ 10 each	4,444,444	444.44	4,444,444	444.44
	65,373,856	**8,024.44**	**65,373,856**	**8,024.44**
(b) Issued, subscribed and fully paid-up equity shares				
Equity share of ₹ 10 each	9,079,160	907.92	9,079,160	907.92
	9,079,160	**907.92**	**9,079,160**	**907.92**

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Equity share of ₹ 10 each				
Opening balance	9,079,160	907.92	9,079,160	907.92
Issue of shares during the year	-	-	-	-
Closing balance	9,079,160	907.92	9,079,160	907.92

(b) Terms/Rights attached to equity shares:

The Company has only one class of shares referred to as equity shares with a face value of ₹10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

The Board of Directors in their meeting held on 02 January 2023 has approved the issuance of shares to the existing equity share holders of the company on a rights basis upto a maximum of ₹ 4,077 Lakhs for part financing the expansion project.

(c) Details of shares held by holding company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
Equity share of ₹ 10 each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96

(d) Details of shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
Equity share of ₹ 10 each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96
Kerala State Industrial Development Corporation Limited	2,862,220	31.52	2,862,220	31.52

(e) Details of shares held by promoters as at 31 March 2023

Particulars	As at 31 March 2023		
	No. of Shares	% of total shares	% change during the year
Equity share of ₹ 10 each			
Nitta Gelatin Inc. Japan	3,900,300	42.96	-
Kerala State Industrial Development Corporation Limited	2,862,220	31.52	-

(f) Distribution of dividend paid and proposed

Particulars	As at 31 March 2023	As at 31 March 2022
Dividends on equity shares declared and paid for the year ended 31 March 2022 (₹ 4 per equity share) (₹ 3 per equity share for FY 2020-21)	363.17	272.37
Proposed cash dividend for the year ended 31 March 2023 (₹ 7.5 per equity share) (₹ 4 per equity share for FY 2021-22)	680.94	363.17

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(g) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	-	-	-	-	-

	As at 31 March 2023	As at 31 March 2022
3.12 Other equity (Refer Standalone Statement of Changes in Equity)		
Securities premium	2,895.90	2,895.90
Special export reserve	79.00	79.00
Equity component of compound financial instruments	984.43	984.43
General reserve	7,836.64	7,836.64
Capital redemption reserve	1,580.00	-
Capital reserve on merger	2,750.62	2,750.62
Retained earnings	7,229.29	3,296.00
Items of Other comprehensive income		
- Hedge reserve	-	9.44
- Equity Instruments through OCI	16.20	15.28
- Remeasurement of defined benefit plans(net)	(285.68)	(303.55)
	23,086.40	**17,563.76**

Description of nature and purpose of each reserve:

a. Securities premium

The amount received in excess of face value of the equity shares was recognised in securities premium. The reserve is utilised in accordance with the provisions of the Act.

b. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Special export reserve

Special export reserve was created as per the provisions of Income Tax Act, 1961 for availing the tax benefits for exports.

d. Equity component of compound financial instruments

The difference between the fair value and cost of the financial instrument has been considered as additional contribution and shown as part of Other equity.

e. General reserve

General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

f. Capital redemption reserve

Redemption reserve was created by the company as mandated by the Companies Act, 2013 on redemption of Optionally convertible preference shares equal to the nominal value of preference shares to be redeemed.

g. Capital reserve on merger

Capital reserve was created on merger of erstwhile subsidiary, M/S. Reva Proteins Limited with the Company. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

h. Items of Other Comprehensive Income

i) Hedge reserve: Effective portion of fair value gain/(loss) on all financial instruments designated in cash flow hedge relationship are accumulated in hedge reserve.

ii) Equity Instruments through Other Comprehensive Income: The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the Equity Instruments through OCI. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

iii) Re-measurement gains/(loss) on defined benefit plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
3.13 Borrowings		
Non current		
(Secured)		
Term loans from banks:		
- From State Bank of India	437.38	341.20
(Unsecured)		
Loan from related party:		
- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	-	462.06
Liability component of redeemable preference shares	398.06	392.60
Liability component of optionally convertible preference shares	10.99	1,555.29
	846.43	**2,751.15**
Current portion of liability component of optionally convertible preference shares	(10.99)	(1,555.29)
Current maturities of non-current borrowings	(150.00)	(520.00)
	685.44	**675.86**
Current		
(Secured)		
Loans repayable on demand		
From Banks:		
Cash credits/working capital demand loans	1,386.32	4,204.11
Bills discounting	1,083.72	1,010.18
Current portion of liability component of optionally convertible preference shares	10.99	1,555.29
Current maturities of non-current borrowings	150.00	520.00
	2,631.03	**7,289.58**

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (Secured)					
i.	State Bank of India	Exclusive first charge over the property, plant and equipment financed out of the term loan.	Principal repayment will be in 16 quarterly instalments commencing from June 2022.	437.38	341.20
				437.38	**341.20**

The interest on one of the term loans from State Bank of India is linked to LIBOR rates; the effective interest rate ranges from 2.06 % to 6.42%. For the other loan; the interest is linked to EBLR and the effective interest rate is 13.15% at present.

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2023	As at 31 March 2022
Term loans from Others (Unsecured)					
i.	ECB from Nitta Gelatin Inc	ECB's are unsecured	(a) The principal amount of ₹ 650 Lakhs taken by the Company, repayable in five annual instalments of ₹ 130 Lakhs on 24 March 2019, 24 March 2020, 24 March 2021, 24 March 2022 and 24 March 2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests. Instalment due in June 2023 has been paid along with instalment due in March 2023. (b) The principal Amount of ₹ 900 Lakhs taken by the Company, repayable in 15 Equal Instalments of ₹ 60 Lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	-	462.06
				-	**462.06**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13 Borrowings (Non - current) ***(cont'd)***

The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +5.80 % to + 8.66 %.

ii	Redeemable Preference Shares	Refer note (3.13.1) below	398.06	392.60
			398.06	**692.60**

3.13.1 Pursuant to the merger as detailed in Note 3.41 , the company had issued 44,44,444 numbers of Redeemable Preference shares of ₹ 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company during the financial year 2019-20. These preference shares are redeemable at par at the expiry of seven years from the date of allotment. i.e. 3 April 2019.

3.13 Borrowings (Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2023	As at 31 March 2022
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting and Buyers Credit)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property, plant and equipment of the Company. The Interest rate for USD denominated working capital loans is 0.75% to 0.90% over the SOFR rates and for JPY denominated loans is 0.75 % to 2.00 % over the TONR rates.	The loans are repayable on demand	2,333.07	2,370.21
ii	Cash Credit/Short term loans in Indian Rupee from Banks/ Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the property, plant and equipments of the Company. The interest rate ranges from 7.75 % to 10.10 %.	The loans are repay-able on demand	136.97	2,844.08
iii	Optionally convertible preference shares		Refer note (3.13.2) below	10.99	1,555.29
				2,481.03	**6,769.58**

3.13.2 The Company has issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares ('OCPS') with a face value of ₹ 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, a significant shareholder. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD LIBOR as on record date i.e., 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on pro-rata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment (i.e. 28 April 2015), in one or more financial years, at a price of ₹ 170/- each (inclusive of a premium of ₹ 160/- per share). All outstanding Optionally Convertible Non- Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment. The entire OCPS have been repaid during the financial year.

	As at 31 March 2023	As at 31 March 2022
3.14 Deferred Tax Liabilities (net)		
Deferred tax liability arising on account of:		
Differences between book balance and tax balance of property, plant and equipment	694.17	886.49
Timing differences on assessment of income	56.59	124.85
Deferred tax assets		
Deferred tax impact on fair value changes	(14.01)	(36.45)
Provision for doubtful debts and others	(386.60)	(149.12)
Provision for employee benefits	(77.28)	(185.68)
MAT Credit entitlement	-	(109.03)
Provision for duty on fish protein	(67.70)	-
On MTM Provision for forward contracts	(15.87)	-
Others	(1.83)	(2.11)
	187.47	**528.95**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Movement in Deferred Tax Liabilities/(assets) balances during the year ended 31 March 2023

Particulars	Opening Balance	MAT Credit Utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Total
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	886.49		(192.32)	-	**694.17**
Timing differences on assessment of income	124.85		(68.26)	-	**56.59**
Deferred tax impact on fair value changes	(36.45)		26.07	(3.63)	**(14.01)**
Provision for doubtful debts and others	(149.12)		(237.48)	-	**(386.60)**
Provision for employee benefits	(185.68)		102.39	6.01	**(77.28)**
MAT Credit entitlement	(109.03)		109.03	-	-
Provision for duty on fish protein			(67.70)		**(67.70)**
MTM Provision for Forward contracts	-		(15.87)	-	**(15.87)**
Others	(2.11)		0.28	-	**(1.83)**
Deferred Tax Liabilities (Net)	**528.95**	**-**	**(343.86)**	**2.38**	**187.47**

Movement in Deferred Tax Liabilities/(assets) balances during the year ended 31 March 2022

Particulars	Opening Balance	MAT Credit Utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Total
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	970.85	-	(84.36)	-	886.49
Timing differences on assessment of income	60.70	-	64.15	-	124.85
Deferred tax impact on fair value changes	(18.31)	-	22.47	(40.61)	(36.45)
Provision for doubtful debts and others	(120.72)	-	(28.40)	-	(149.12)
Provision for employee benefits	(135.25)	-	2.43	(52.86)	(185.68)
MAT Credit entitlement	(599.00)	489.97	-	-	(109.03)
Others	(3.18)	-	1.07	(2.11)	
Deferred Tax Liabilities (Net)	**155.09**	**489.97**	**(22.64)**	**(93.47)**	**528.95**

		As at 31 March 2023	As at 31 March 2022
3.15	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises (refer note (a) and (b) below)	427.02	230.26
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,424.91	1,657.43
		2,851.93	**1,887.69**

Trade payables include provision for expenses accrued and other claims for which bills are yet to be received and pending settlement.

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company. This has been relied upon by the auditors.

(b) Subsidiary of the company M/S.Bamni Protiens Ltd was registered as MSME during the month of March 2021 and hence the balance includes ₹ 354.69 Lakhs which is the balance payable to them as on 31 March 2023 (31 March 2022: ₹ 135.88 Lakhs).

i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	427.02	230.26
ii)	Interest due thereon remaining unpaid	1.36	0.47
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
v)	Interest accrued and remaining unpaid	1.36	0.47
vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	427.02	-	-	-	427.02
(ii) Others	2,393.45	30.14	-	1.32	2424.91
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Trade payable ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	230.26	-	-	-	230.26
(ii) Others	1,640.93	10.10	-	6.40	1657.43
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

	As at 31 March 2023	As at 31 March 2022
3.16 Other financial liabilities		
Current		
Unpaid dividend*	17.40	15.91
Creditors for capital goods	37.43	-
Hedge liability**	63.07	-
Employee related liabilities	508.31	408.63
Others	8.72	3.04
	634.93	**427.58**

* Earmarked balances with banks for unpaid dividend
** Refer Note 3.26.4

	As at 31 March 2023	As at 31 March 2022
3.17 Provisions		
Non-current		
Provision for employee benefits (net) (refer note 3.37)		
- Gratuity	23.96	165.88
- Compensated absence	109.93	163.36
	133.89	**329.24**
Current		
Provision for employee benefits (net) (refer note 3.37)		
- Gratuity	22.98	84.99
- Compensated absence	30.90	105.48
Others (refer note 3.31)	194.12	222.86
	248.00	**413.33**
3.18 Other liabilities		
Current		
Advance from customer	81.86	268.41
Others		
- Statutory dues	135.73	103.36
- Deferred income	411.68	396.39
	629.27	**768.16**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year Ended 31 March 2023	Year Ended 31 March 2022
3.19	**Revenue from operations**		
	Revenue from Sale of goods		
	Sale of products	47,677.14	41,254.06
	Other operating revenues		
	Scrap sales	81.43	65.89
	Export incentives		
	- Government grants	441.71	876.74
	- Duty drawback	191.97	163.37
	- Merchandise Exports from India Scheme (MEIS)/Remission of duties and taxes on export products (RoDTEP) incentives	144.80	356.75
	Liabilities/Provisions no longer required written back	0.44	12.47
	Other miscellaneous income #	137.85	122.50
		998.20	**1,597.72**
		48,675.34	**42,851.78**

3.19.1 Disclosure under Ind AS 115 -Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 3.30 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with Customers". Hence, no separate disclosures of disaggregated revenues are reported.

Contract Balances

Particulars		
Trade receivables (Refer Note 3.08)	7,853.94	7,580.15
Contract liabilities - advance from customers (Refer Note 3.18)	81.86	268.41
	7,935.80	**7,848.56**

During the year ended 31 March 2023, the Company has recognised revenue of ₹ 268.41 Lakhs (31 March 2022: ₹ 553.42 Lakhs) arising from opening contract liabilities.

The Company's performance obligation are satisfied upon shipment and payment is generally due by 30 to 180 days.

3.19.2	**Reconciliation of Revenue from sale of goods with the contracted price**		
	Contracted price	47,809.15	41,361.62
	Less: Trade discount, rebates etc.	(132.01)	(107.56)
	Net revenue recognised from contracts with customers	**47,677.14**	**41,254.06**
3.20	**Other Income**		
	Interest income		
	- On bank deposits	10.11	4.37
	- Other interest income	7.52	11.26
	Dividend income from non-current investments	472.50	175.17
	Net gain on foreign currency transactions and translations	-	345.29
	Profit on sale of assets (net)	-	0.45
	Miscellaneous income #	40.94	43.54
		531.07	**580.08**

Miscellaneous income includes rental income and insurance claim received.

3.21	**Cost of materials consumed**		
	Opening Stock	2,812.10	1,992.45
	Add: Purchases	22,562.25	23,616.54
		25,374.35	**25,608.99**
	Less: Closing Stock	2,093.39	2,812.10
		23,280.96	**22,796.89**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year Ended 31 March 2023	Year Ended 31 March 2022
3.22	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock		
	Finished Goods	1,883.06	1,516.30
	Work-in-progress	3,840.96	4,149.04
		5,724.02	**5,665.34**
	Less:		
	Closing Stock		
	Finished Goods	2,046.47	1,883.06
	Work-in-progress	3,714.07	3,840.96
		5,760.54	**5,724.02**
		(36.52)	**(58.68)**
3.23	**Employee benefits expense**		
	Salaries and wages	3,705.25	3,465.43
	Contribution to provident and other funds	393.38	374.29
	Workmen and staff welfare expenses	528.38	483.77
		4,627.01	4,323.49
	Less: Transfer to research and development expenditure (Refer Note 3.26.1)	(167.72)	(139.68)
		4,459.29	**4,183.81**
3.24	**Finance costs**		
	Interest expense - on bank borrowings	236.55	181.55
	Interest expense - Fair Value Costs	98.70	283.87
		335.25	**465.42**
3.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets (refer note 3.01)	1,290.97	1,340.80
	Amortisation of intangible assets (refer note 3.02)	28.47	18.65
		1,319.44	**1,359.45**
3.26	**Other expenses**		
	Consumption of stores, spares and consumables	845.21	984.27
	Effluent discharge charges	138.59	105.93
	Contract labour charges	148.13	145.08
	Packing materials consumed	370.63	357.77
	Research and development expenditure (refer note 3.26.1)	206.07	180.92
	Power, fuel, water and gas	5,223.32	4,683.37
	Repairs		
	- Building	177.38	170.69
	- Plant and equipment	1,060.59	1,021.85
	- Others	455.41	412.68
	Loading, transportation and other charges on products	727.58	799.73
	Freight on exports	537.84	771.39
	Insurance	107.38	102.15
	Rent	58.40	32.46
	Rates and taxes	380.16	131.91
	Postage and telephone	42.75	40.28
	Printing and stationery	16.18	22.64
	Travelling and conveyance	209.58	100.96
	Director's sitting fee	15.50	13.75
	Payments to statutory auditor (refer note 3.26.2)	25.91	22.60
	Advertisement and publicity	86.97	15.84
	Professional and consultancy charges	202.91	188.04
	Bank charges	72.69	57.38
	Expenses on corporate social responsibility activities (refer note 3.26.3)	58.02	18.86
	Loss on assets sold/written off (net)	104.82	-
	Security service charges	222.99	223.71
	Provision for impairment on Plant and equipment	-	22.00
	Net loss on foreign currency transactions and translations (refer note 3.26.4)	225.89	-
	Miscellaneous expenses (refer note 3.26.5)	318.75	297.65
		12,039.65	**10,923.91**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Year Ended 31 March 2023	Year Ended 31 March 2022
3.26.1 Details of Research & Development expenditure		
(a) Revenue expenditure charged to the statement of profit and loss (Product development/Engineering expenses)		
Salary and allowances	167.72	139.68
Other expenses (Net of recoveries)	38.35	41.24
	206.07	**180.92**
(b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	4.02	8.11
3.26.2 Payments to Statutory auditor		
Statutory audit fees	23.05	22.02
Other services		
Reimbursement of expenses	2.86	0.58
	25.91	**22.60**
3.26.3 Corporate Social Responsibility (CSR)		
a. Amount required to be spent by the Company during the year	46.00	18.40
b. Amount of expenditure incurred on:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above *	58.02	18.86
c. Shortfall at the end of the year	-	-
d. Total of previous year shortfalls	-	-
e. Reason for shortfall	-	-
f. Nature of CSR activities	Healthcare, Education, Community Development	
g. Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard. All expenditure is dispersed through K T Chandy Seiichi Nitta Foundation	All expenditure is dispersed through K T Chandy Seiichi Nitta Foundation	
h. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NIL	

* The excess spend amount of ₹ 12.02 Lakhs being difference between 3.26.3 a and 3.26.3 b ii shall be carried forward to the next year towards CSR expenses as stipulated in the CSR provisions of the Companies Act.

3.26.4 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 hitherto recognizing Mark to Market (' MTM ') gain or loss in other comprehensive income. As a matter of prudence and the future challenges in establishing hedge effectiveness for cash flow hedge, the company has recognized the MTM loss on outstanding forward foreign exchange contracts amounting to ₹ 63.07 as on 31 March 2023 (31 March 2022: Nil).

3.26.5 Miscellaneous expense include an amount of ₹ 0.07 Lakhs (31 March 2022: ₹ 0.13 Lakhs) made towards political contributions.

	Year Ended 31 March 2023	Year Ended 31 March 2022
3.27 Earnings per share (EPS) (basic and diluted)		
a) Profit after tax attributable to equity shareholders	5,876.45	2,659.70
b) Weighted average number of shares outstanding	9,079,160	9,079,160
c) Nominal value of shares (₹)	10	10
d) Basic earning per share (₹)	**64.72**	**29.29**
e) Number of equity shares used to compute diluted earnings per share	9,079,160	9,079,160
f) Diluted earnings per share (₹)	**64.72**	**29.29**
3.28 Assets pledged as security		
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
Current		
First charge		
Financial assets		
Trade receivables	7,853.94	7,580.15
Cash and cash equivalents	1,000.20	14.70
Bank balances other than cash and cash equivalents	59.86	80.41
Other financial assets	115.03	119.45
Inventories	8,501.45	9,201.53
Other current assets	740.15	730.87
Total current assets pledged as securities	**18,270.63**	**17,727.11**
Non-current		
First charge		
Property, plant and equipment (PPE) and capital work-in-progress	11,437.65	10,890.95
Total non-current assets pledged as securities	**11,437.65**	**10,890.95**
Total assets pledged as security	**29,708.28**	**28,618.06**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

A. Related parties and nature of relationship

i.	Nitta Gelatin Inc.	Enterprise having substantial interest in the Company
ii.	Nitta Gelatin NA Inc.	Subsidiary of Nitta Gelatin Inc.
iii.	Nitta Gelatin Canada Inc.	Subsidiary of Nitta Gelatin Inc.
iv.	Bamni Proteins Limited	Subsidiary Company
v.	K T Chandy Seiichi Nitta Foundation	Trust controlled by the Company
vi.	Kerala State Industrial Development Corporation	Enterprise having substantial interest in the Company
vii.	**Key Managerial Personnel**	

Mr. Philip Chacko M	Managing Director (From 1 April 2022)
Dr Shinya Takahashi	Whole Time Director
Mr. A.P.M. Mohammed Hanish IAS	Non Executive Director (From 5 February 2022)
Mr. S. Harikishore IAS	Non Executive Director
Dr. M.K.C. Nair	Independent Director
Mr. Sajiv K. Menon	Non Executive Director (Managing Director till 31 March 2022)
Mr. V. Ranganathan	Independent Director
Mr. E. Nandakumar	Independent Director
Mrs. Radha Unni	Independent Director
Dr Justice M. Jaichandren (Retd.)	Independent Director
Mr. Yoichiro Sakuma	Independent Director
Dr. K. Ellangovan IAS	Chairman (Till 5 February 2022)
Mr. Rajamanickam IAS	Nominee Director (Till 31 March 2022)

B. Detail of Transactions:

Nature of Transaction	Subsidiary Company/Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Key Management Personnel		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sale and Income								
1 Sale of Goods								
Nitta Gelatin Inc	-	-	8,844.06	11,420.98	-	-	8,844.06	11,420.98
Nitta Gelatin NA Inc	-	-	7,828.24	6,950.71	-	-	7,828.24	6,950.71
Bamni Proteins Limited	69.76	-					69.76	-
2 Receipt for software license								
Bamni Proteins Limited	2.60	3.48	-	-	-	-	2.60	3.48
3 Dividend income								
Bamni Proteins Limited	472.50	175.00	-	-	-	-	472.50	175.00
4 Guarantee commission recovered								
Bamni Proteins Limited	-	11.30	-	-	-	-	-	11.30
5 Support fee for service rendered recovered								
Bamni Proteins Limited	131.69	94.81	-	-	-	-	131.69	94.81
6 Reimbursement of expenses								
Bamni Proteins Limited	18.12	16.30	-	-	-	-	18.12	16.30
Purchase and Expenses								
1 Purchase of Goods:								
Bamni Proteins Limited	2,203.97	1,530.90	-	-	-	-	2,203.97	1,530.90
Nitta Gelatin Inc	-	-	-	428.59	-	-	-	428.59
2 Commission expense:								
Nitta Gelatin Inc								
- For Sale of Gelatin	-	-	27.87	15.99	-	-	27.87	15.99
- For Sale of Peptide	-	-	0.51	2.97	-	-	0.51	2.97
3 Purchase of RODTEP Scrips								
Bamni Proteins Limited	131.17	-	-	-	-	-	131.17	-
4 Rent paid								
Bamni Proteins Limited	1.20	1.20	-	-	-	-	1.20	1.20
5 Technical Assistance Fee:								
Nitta Gelatin Inc	-	-	18.08	19.76	-	-	18.08	19.76

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures *(cont'd.)*

B. Detail of Transactions:

Nature of Transaction	Subsidiary Company/Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Key Management Personnel		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
6 Interest expense on External Commercial Borrowings								
Nitta Gelatin Inc	-	-	21.49	38.15	-	-	21.49	38.15
7 Interest expense on loans								
Kerala State Industrial Development Corporation	-	-	-	12.45	-	-	-	12.45
8 Reimbursement of Expenses (Net):								
Nitta Gelatin Inc	-	-	7.14	11.31	-	-	7.14	11.31
Bamni Proteins Limited	18.46	13.21	-	-	-	-	18.46	13.21
9 Donations/Corporate Social Responsibility contribution								
K.T.Chandy Seiichi Nitta Foundation	58.02	18.86	-	-	-	-	58.02	18.86
10 Remuneration (refer note a below)								
Mr. Philip Chacko M	-	-	-	-	164.93	-	164.93	-
Dr. Shinya Takahashi	-	-	-	-	24.47	24.43	24.47	24.43
Mr. Sajiv K Menon	-	-	-	-	-	181.80	-	181.80
11 Sitting fees								
Dr. K. Ellangovan IAS - Non Executive Director (Till 5 February 2022)	-	-	-	-	-	0.50	-	0.50
Mr. V. Ranganathan - Independent Director	-	-	-	-	2.75	2.25	2.75	2.25
Mr. Sajiv K Menon - Non Executive Director	-	-	-	-	1.25	-	1.25	-
Dr. M.K.C. Nair - Independent Director	-	-	-	-	1.50	-	1.50	-
Mr. E. Nandakumar- Independent Director	-	-	-	-	2.50	3.00	2.50	3.00
Mrs. Radha Unni - Independent Director	-	-	-	-	2.75	3.50	2.75	3.50
Dr. Justice M. Jaichandren (Retd.)- Independent Director	-	-	-	-	2.00	2.00	2.00	2.00
Mr.Yoichiro Sakuma - Independent Director	-	-	-	-	1.00	2.00	1.00	2.00
Mr. Rajamanickam IAS	-	-	-	-	0.25	-	0.25	-
Mr. S. Harikishore IAS	-	-	-	-	0.25	0.50	0.25	0.50
Mr. APM Mohammad Hanish IAS	-	-	-	-	1.25	-	1.25	-
12 Dividend paid on equity shares								
Nitta Gelatin Inc	-	-	156.01	117.01	-	-	156.01	117.01
Kerala State Industrial Development Corporation	-	-	114.49	85.87	-	-	114.49	85.87
13 Dividend on preference shares								
Nitta Gelatin Inc	-	-	119.37	119.37	-	-	119.37	119.37

Note: Remuneration paid to KMP excludes provision for/contribution to gratuity and compensated absences which are based on actuarial valuation done on an overall company basis (cannot be individually identified) are excluded in the disclosure above.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures *(cont'd)*

C. Balance outstanding as at year end:

Nature of Transaction	Subsidiary Company/ Trust controlled by the Company		Enterprise having substantial interest in the Company and its Subsidiaries		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Investments						
1 *Bamni Proteins Ltd*	350.00	350.00	-	-	350.00	350.00
Receivables						
1 *Nitta Gelatin Inc*	-	-	1,510.44	2,038.67	1,510.44	2,038.67
2 *Nitta Gelatin NA Inc*	-	-	2,577.73	2,637.23	2,577.73	2,637.23
Payables						
1 *Bamni Proteins Ltd*	354.75	135.88	-	-	354.75	135.88
2 *Nitta Gelatin Inc*						
- Term loan	-	-	-	462.06	-	462.06
- Other payables	-	-	42.85	29.68	42.85	29.68
3 *Nitta Gelatin NA Inc*						
- Other payables	-	-	27.94	-	27.94	-

D. Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried out at the 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 Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2023. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, the financial statements do not include the effect of the transfer pricing implications, if any.

3.30 Segment Information

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. Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sales of products	47,677.14	41,254.06
	47,677.14	41,254.06

(ii) Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	26,686.26	20,347.39
Outside India	20,990.88	20,906.67
	47,677.14	**41,254.06**

(iii) Non-current assets (other than financial instruments non-current tax and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	12,741.46	11,846.14
Outside India	-	-
	12,741.46	**11,846.14**

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from top customer	8,844.06	11,420.98
Revenue from customers contributing 10% or more to the Company's revenues from product sale	23,149.08	24,217.95

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.31 Provisions, Contingent liabilities and Commitments

3.31.1 Provisions

Nature of Provision	As at 1 April 2022	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	As at 31 March 2023
Provision for Central Excise Duty	132.29	-	-	-	132.29
[refer note 3.31.1(i)]	(132.29)	-	-	-	(132.29)
Provision for Central Sales Tax	28.74	-	28.74	-	-
[refer note 3.31.1(ii)]	(28.74)	-	-	-	(28.74)
Provision for Water Cess	61.83	-	-	-	61.83
[refer note 3.31.2(iv)]	(61.83)	-	-	-	(61.83)

(Figures in brackets represents corresponding figure for the previous financial year)

3.31.1(i) Central Excise authorities issued show cause notices proposing to withdraw CENVAT credit availed by the Company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to ₹ 350.75 Lakhs (31 March 2022: ₹ 350.75 Lakhs) which was disputed by the Company. Though no demand was raised by the department, based on legal advice received, the company created a provision of ₹132.29 Lakhs (31 March 2022: ₹132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2022: ₹ 218.45 Lakhs) is disclosed as a contingent liability.

3.31.1(ii) The Central Sales Tax authorities raised demand on assessment for an earlier year amounting to ₹ 28.74 Lakhs (31 March 2022: ₹ 28.74 Lakhs) which was disputed in appeal. During the year, based on the conclusion of appellate procedings, the company has settled the Sales tax demands based on appellate orders and has reversed the provision created accordingly.

3.31.2 Contingent Liabilities not provided for:

	As at 31 March 2023	As at 31 March 2022
1. Claims against the Company not acknowledged as debts:		
a. Income tax [refer note 3.31.2(i)]	167.61	167.61
b. Sales tax [refer note 3.31.2(ii)]	12.00	754.58
c. Excise duty and service tax [refer note 3.31.1(i) and 3.31.2.(iii)]	434.18	303.88
d. Customs duty (refer note 3.31.3)	1,968.36	1,968.36
2. Counter guarantee issued in favour of bankers	179.00	48.22
	2,761.15	**3,242.65**

3.31.2(i) The Income tax authorities has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the appellate authority. In the opinion of the management, no provision is considered necessary for the same at this stage.

The Company has received tax orders from the Income tax authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 930.16 Lakhs (31 March 2022: ₹ 930.16 Lakhs), primarily on denial of certain expenditure upon completion of tax assessment for the assessment years 2006-07, 2007-08, 2008-09, 2012-13, 2013-14, 2014-15 and 2015-16. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. Further, the Company has received tax orders from the transfer pricing authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 512.07 Lakhs (31 March 2022: ₹ 512.07 Lakhs), primarily on transfer pricing adjustments upon completion of tax assessment for assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. The Company is contesting these litigations and the management believes that its position will be likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently, no provision has been created in the financial statements for the above.

3.31.2(ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to ₹ 754.58 Lakhs (31 March 2022: ₹ 754.58 Lakhs) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Company on appeal. During the year, based on the conclusion of appellate proceedings, the company has settled the Sales tax demands based on appellate orders and has reduced the Contingent liability amount to ₹ 12 Lakhs.

3.31.2(iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the Company and towards cenvat credits availed aggregating to ₹ 7.21 Lakhs (31 March 2022: ₹ 7.21 Lakhs) which have been disputed by the Company before the appellate authorities; and show cause notices received from such authorities for service tax on certain deemed services and ineligible cenvat credit availed aggregating to ₹ 85.39 Lakhs (31 March 2022: ₹ 78.22 Lakhs), which have been represented before adjudicating authorities and demand raised by the central excise for disputed cenvat credit amounts amounting to ₹ 123.13 Lakhs (31 March 2022: Nil). In the opinion of the management these demands/show cause notices issued are not sustainable, so no provision is considered at this stage.

3.31.2(iv) During an earlier year, an amount of ₹ 714.84 Lakhs was demanded as water cess for extraction of river water for industrial use during the period from 01 April 1979 to 31 December 2010, in accordance with a Government Order issued on 25 July 2009. During the previous year Company's writ petition was allowed by the Honorable High Court of Kerala, by observing that Article 265 of the Constitution of India provide that no tax shall be levied or collected except by the authority of law. Tax, duty, cess or fee levied by the State Government to raise revenue. This power could be exercised onlly under any law authorising levy and collection of tax as envisaged under Article 265.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

A provision of ₹ 61.83 Lakhs towards disputed charges for the period from 25 July 2009 to 31 December 2010, being periods subsequent to issue of the Government order, was made in the accounts in an earlier year as a matter of prudence.

3.31.2(v) During the financial year, the customs authorities has demanded payment of an amount of ₹ 15 Lakhs as fine and penalty on the import of demineralised fish scales from China on the basis of an order of Department of Animal Husbandry, DAH, Diary and Fisheries, Government of India, who has stated that, the imported materials where found to be positive for OIE listed pathogen, Epizootic Ulcerative Syndrome, which is not prevailing in India. The department has also ordered deportation of the materials for the reasons stated therein. The company has disputed the said demand and propose to file an appeal before appellate authorities.Provision has been created in the books of accounts for an amount of ₹ 218.07 Lakhs (31 March 2022: Nil) for the said demand on a conservative basis (including the cost of materials to be deported as per the orders of the Customs Department).

3.31.3 The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the Company. During an earlier year, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1,091.21 Lakhs. The Company has filed appeal before the appellate authorities which is pending for disposal at this stage. As per the independent legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the appellate proceedings are pending for adjudication and hence no provision is considered necessary at this stage.

3.32 Commitments

3.32.1 Estimated amount of contracts remaining to be executed on capital account ₹ 464.96 Lakhs (31 March 2022: ₹ 441.84 Lakhs).

3.33 In respect of raw materials imported during the financial year 2016-17 at concessional rate of duty under the Advance Authorisation Scheme, the Company has fulfilled the export obligation which is required to be fulfilled as per the Licensing Norms and has settled the differential duty along with Interest for the portion of raw material which is used for domestic market requirements. However, for certain portion of the material exported, the advance license number was not endorsed in the shipping bill due to oversight. The Company is in the process of getting the endorsement effected by Customs Department for the exports so effected. The company's, application for endorsement of Advance Authorisation Number in the shipping bill for exports is pending for disposal before the Customs Authorities at this stage. Since the Company's dispute on classification/reassessment of the raw material is pending for adjudication before the Appellate Tribunal and based on the legal advice received, the Company is hopeful of a favourable decision. During the financial year, the Company has imported raw materials against anticipated exports under Advance Authorisation Scheme under imports. But the Company is now facing challenges to meet the export obligation against the accumulated inventory due to slump in demand in the export market for the finished product. As on 31 March 2023, the Company has created a provision of ₹ 68.28 (31 March 2022 - ₹ 68.28 Lakhs towards the duty along with applicable interest on the same as a matter of prudence.

3.33.1 In addition to 3.33 above, the Company has export obligation of ₹ 3137 Lakhs (31 March 2022: ₹ 7,886.80 Lakhs) on account of advance Authorisation Scheme and ₹ 149.00 Lakhs (31 March 2022: ₹ 135.18 Lakhs) under the Export Promotion Capital Goods (EPCG) laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

3.34 In the opinion of the management, current financial assets and other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

3.35 Leases

Rental expense recorded for short-term leases during the year ended 31 March 2023 is ₹ 58.40 Lakhs (31 March 2022: ₹ 32.46 Lakhs).

The Company's significant leasing arrangements, other than land, are in respect of office premises and warehouses taken on lease for which rent expenses has been charged in the statement of profit and loss. The arrangements generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given.

The Company's lease asset classes consist of leases for land, refer note 3.01 to the financial statements. The Company has not entered into any other material lease arrangements.

3.36 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax:		
Current income tax charge	2275.75	1124.00
Relating to the origination and reversal of temporary differences	(343.86)	(22.64)
Income tax expense reported in Statement of Profit and Loss	**1,931.89**	**1,101.36**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	6.01	(52.86)
Income tax relating to measurement of financial assets through OCI	0.24	1.14
Income tax relating to (loss)/gain on cash flow hedges	(3.87)	(41.75)
	2.38	**(93.47)**

The Company has 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 ₹ 22.82 Lakhs, net of Minimum Alternate Tax ("MAT") credit written off amounting to ₹ 109.00 Lakhs.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation of deferred tax liability (net)	As at 31 March 2023	As at 31 March 2022
Opening balance of deferred tax liability	528.95	155.09
Tax expense during the year recognized in statement of profit and loss	(343.86)	(22.64)
MAT Credit Utilisation	-	489.97
Tax expense during the year recognised in OCI	2.38	(93.47)
Closing balance of deferred tax liability	**187.47**	**528.95**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax and exceptional item	**7,808.34**	**3,761.06**
Tax on accounting profit at statutory income tax rate of 25.17 % (31 March 2022 : 29.12%)	1,965.36	1,095.22
Tax effect of:		
Non deductible expenses	60.33	5.77
Tax incentives and exempt income	(118.93)	(51.01)
Tax effect of change in tax rates	22.82	-
Others	2.31	51.38
Tax expense recognised in the Statement of profit and loss	**1,931.89**	**1,101.36**

There are no unrecognised Deferred tax assets as on 31 March 2023.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.37 A.Defined benefit plan

The Company has gratuity fund for its employees. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2023 and 31 March 2022 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements:

	Particulars	As at/Year Ended 31 March 2023	As at/Year Ended 31 March 2022
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	1,125.65	1,125.87
	Fair value of plan assets as at the end of the year	(1,078.71)	(875.00)
	Net liability recognized in the Balance Sheet	**46.94**	**250.87**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	1,125.87	896.66
	Current service cost	64.86	65.56
	Interest cost	80.75	56.40
	Actuarial losses/(gains) arising from		
	- change in financial assumptions	(36.43)	181.52
	- experience variance (i.e. actual experiences assumptions)	-	-
	Benefits paid	(109.40)	(74.27)
	Defined benefit obligation as at the end of the year	**1,125.65**	**1,125.87**
3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	875.00	756.51
	Expected return on plan assets	58.88	52.19
	Actual return on plan assets over expected interest	-	-
	Contributions	242.45	140.57
	Benefits paid	(97.62)	(74.27)
	Fair value as at the end of the year	**1,078.71**	**875.00**
	Description of Plan Assets		
	Insurer Managed Funds (LIC of India)	1,078.71	875.00
	Assumptions used in the above valuations are as under:		
	Discount rate	7.54%	7.51%
	Expected rate of increase in compensation level	5.51%	5.8%
	Attrition rate	4%	4%
	Superannuation age	58	58
	Mortality	Indian Assured Lives Mortality [1994-96] Ultimate	
4	**Net gratuity cost for the year ended 31 March 2023 and 31 March 2022 comprises of following components:**		
	Current service cost	64.86	65.56
	Net interest cost on the net defined benefit liability	9.32	4.21
	Net defined benefit expense debited to statement of profit and loss	**74.18**	**69.77**
5	**Remeasurement (gain)/loss recognised in other comprehensive income**		
	Change in financial assumptions	23.88	(181.52)
	Experience variance (i.e. actual experience vs assumptions)	-	-
	Change in demographic assumptions	-	-
	Recognized in other comprehensive income	**23.88**	**(181.52)**

3.37 B. Defined contribution plan

The Company provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 319.20 Lakhs (31 March 2022: ₹ 293.86 Lakhs) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

Liquidity Risk: This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 2,000,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Increase/(decrease) on present values of defined benefits obligations at the end of the year:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate (- / + 1%)	(81.04)	92.82	(83.77)	96.48
Salary Growth Rate (- / + 1%)	90.92	(81.96)	94.18	(84.44)
Attrition rate (- / + 1%)	5.09	(5.57)	0.97	(0.97)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

3.38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	350.00	-	100.84
Cash and cash equivalents	3.09	1,000.20	-	-
Bank balances other than cash and cash equivalents	3.10	59.86	-	-
Trade receivable	3.08	7,853.94	-	-
Loans	3.04	9.86	-	-
Other financial assets	3.05			
Security deposits		385.82	-	-
Earmarked balances with banks for unpaid dividend		17.40	-	-
Advances recoverable in cash or in kind		97.78	-	-
Others		15.85	-	-
Total		**9,790.71**	**-**	**100.84**
Liabilities:				
Borrowings	3.13	3,316.47	-	-
Trade payable	3.15	2,851.93	-	-
Other financial liabilities	3.16			
Unpaid dividend		17.40	-	-
Creditors for capital goods		37.43	-	-
Employee related liabilities		489.61	-	-
Others		18.75	-	-
Total		**6,731.59**	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.38 Fair value measurements *(cont'd.)*

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	350.00	-	99.68
Cash and cash equivalents	3.09	14.70	-	-
Bank balances other than cash and cash equivalents	3.10	80.41	-	-
Trade receivable	3.08	7,580.15	-	-
Loans	3.04	6.69	-	-
Other financial assets	3.05			
Security deposits		372.77	-	-
Earmarked balances with banks for unpaid dividend		15.91	-	-
Advances recoverable in cash or in kind		72.88	-	-
Hedge asset (foreign exchange forward contract)		-	29.49	-
Others		15.95	-	-
Total		**8,509.46**	**29.49**	**99.68**
Liabilities:				
Borrowings	3.13	7,965.44	-	-
Trade payable	3.15	1,887.69	-	-
Other financial liabilities	3.16			
Unpaid dividend		15.91	-	-
Employee related liabilities		408.63	-	-
Others		3.04	-	-
Total		**10,280.71**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	21.94	-	78.90	100.84
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	-	-	-

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	20.78	-	78.90	99.68
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	29.49	-	29.49

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by banks for revaluation of balance in forward contracts as on the reporting dates.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.
- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

3.39 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2023	As at 31 March 2022
Trade receivable	7,853.94	7,580.15
Loans to employees	9.86	6.69
Security deposit	385.82	372.77
Earmarked balances with banks for unpaid dividend	17.40	15.91
Advances recoverable in cash or in kind	97.78	72.88
Hedge asset	-	29.49
Investments	450.84	449.68
Cash and cash equivalents	1,000.20	14.70
Other bank balances	59.86	80.41
Others	15.85	15.92
	9,891.55	**8,638.63**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, USA, Japan and Europe. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances. At the reporting date, trade receivable balance from three customer represented 60 % (2022 - 68 %) of the total trade receivable balances, respectively.

On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

Movement in loss allowance

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	33.05	33.05
Impairment loss recognised	-	-
Impairment loss reversed	-	-
Balance at the end	**33.05**	**33.05**

31 March 2023

Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	7,410.74	468.34	1.48	0.76	0.77	4.90
Expected Loss Rate	0.34%	0.22%	39.38%	78.76%	100%	100%
Expected Credit Loss (Loss allowance)	25.13	1.03	0.58	0.64	0.77	4.90
Carrying Amount of Trade Receivables (net of impairment)	7,385.61	467.31	0.90	0.12	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.39 Financial risk management *(cont'd)*

31 March 2022

Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	6,845.59	760.60	2.11	-	-	4.90
Expected Loss Rate	0.27%	1.19%	39.38%	78.75%	100%	100%
Expected Credit Loss (Loss allowance)	18.26	9.06	0.83	-	-	4.90
Carrying Amount of Trade Receivables (net of impairment)	6,827.33	751.54	1.28	-	-	-

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,631.03	685.44	-	3,316.47
Trade payable	2,851.93	-	-	2,851.93
Other financial liabilities	634.93	-	-	634.93
Total	**6,117.89**	**685.44**	**-**	**6,803.33**

As at 31 March 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,289.58	675.86	-	7,965.44
Trade payable	1,887.69	-	-	1,887.69
Other financial liabilities	427.58	-	-	427.58
Total	**9,604.85**	**675.86**	**-**	**10,280.71**

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

C1 Foreign currency Risk

The Company operates internationally and a significant portion of the business is transacted in USD, Japanese Yen (JPY) and EURO currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.39 Financial risk management *(cont'd)*

Particulars		As at 31 March 2023		As at 31 March 2022	
Included In	**Currency**	**Amount in foreign currency in Lakhs**	**Amount in ₹**	**Amount in foreign currency in Lakhs**	**Amount in ₹**
Financial assets					
Trade receivables	USD	51.16	4,177.30	64.60	4,858.56
	EURO	4.08	360.70	0.07	6.22
Financial liabilities					
Trade payables	USD	1.23	101.41	0.42	31.72
	Japanese YEN	13.84	8.65	13.50	8.46
Non current borrowings State bank of India	USD	4.26	352.05	-	-
Current borrowings	USD	13.59	1,122.23	31.12	2,370.21
	Japanese YEN	1,389.97	868.73	-	-

Conversion rates	Financial Assets		Financial Liabilities	
	USD	**EUR**	**USD**	**JPY**
As at 31 March 2023	81.65	90.68	82.57	0.625
As at 31 March 2022	75.21	88.86	76.16	0.630

Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on profit after tax	**Increase 31 March 2023**	**Decrease 31 March 2023**	**Increase 31 March 2022**	**Decrease 31 March 2022**
Sensitivity				
INR/USD	37.29	(37.29)	11.70	(11.70)
INR/EURO	3.70	(3.70)	0.06	(0.06)
INR/YEN	(0.09)	0.09	(0.09)	0.09

Impact on other components of equity	**Increase 31 March 2023**	**Decrease 31 March 2023**	**Increase 31 March 2022**	**Decrease 31 March 2022**
Sensitivity				
INR/USD	(161.93)	161.93	(129.87)	129.87

There has not been any change in the method and assumptions used for sensitivity analysis as compared to previous period.

(C) Market risk *(cont'd)*

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	**31 March 2023**	**31 March 2022**
Forward Contracts		
In USD (Lakhs)	119.00	165.50

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	**31 March 2023 In USD Lakhs**	**31 March 2022 In USD Lakhs**
Not later than one month	14.00	12.50
Later than one month and not later than three months	28.00	28.50
Later than three months and not later than a year	77.00	124.50

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

a) Disclosure of effects of hedge accounting on financial position

31 March 2023 Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts*	9,716	-	April 2023-September 2024	1 USD = 82.548 INR	(13.31)	-

* Refer Note 3.26.4

Disclosure of effects of hedge accounting on financial position

31 March 2022 Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	12,447	29.49	April 2022-March 2023	1 USD = 77.436 INR	(143.36)	-

b) Disclosure of effects of hedge accounting on financial performance

31 March 2023 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(13.31)	(79.25)	-	Not applicable

31 March 2022 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(143.36)	-	-	Not applicable

C2 Interest rate risk

(i) Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 2023, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	846.43	2,751.15
Fixed rate borrowing	-	-
Total borrowings	**846.43**	**2,751.15**
Amount disclosed under other current borrowings	160.99	2,075.29
Amount disclosed under non-current borrowings	685.44	675.86

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Sensitivity
Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2023	31 March 2022
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	8.46	27.51
Interest rates – decrease by 100 basis points (100 bps)	(8.46)	(27.51)

(ii) Assets
The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C3 Equity price risk
The Company's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

3.40 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid up capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and bank balances.

Particulars	As at 31 March 2023	As at 31 March 2022
Long term borrowings	685.44	675.86
Current maturities of long term borrowings	160.99	2,075.29
Short term borrowings	2,470.04	5,214.29
Trade payables	2,851.93	1,887.69
Less: Cash and cash equivalents	(1,000.20)	(14.70)
Less: Bank balances other than cash and cash equivalents	(59.86)	(80.41)
Net debt	**5,108.34**	**9,758.02**
Equity	907.92	907.92
Other equity	23,086.40	17,563.76
Capital and net debt	**29,252.66**	**28,229.70**
Gearing ratio	**17.46%**	**34.57%**

3.41 Business Combinations
Pursuant to the Scheme of Merger and Amalgamation (the "Scheme") under Section 230-232 of the Companies Act, 2013 , duly approved by the Hon'ble National Company Law Tribunal, Chennai Bench by the Order dated 27th March 2019, erstwhile subsidiary company, M/S. Reva Proteins Limited (the "Transferor Company") was merged with the Company with effect from 1st April 2017. Accordingly, all the assets and liabilities of the Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date (1 April 2017). During the year, the title deeds of Leasehold and Freehold Land which was in the name of erstwhile M/S. Reva Proteins Limited has been transferred in the name Nitta Gelatin India Limited (Company). The Company is in the process of completing other statutory registrations.

3.42 Events after the Balance sheet date
The Board of Directors have recommended a final dividend of ₹ 7.5 per share to be paid on equity shares of ₹ 10/- each. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. Dividends will be taxed in the hands of receipient, hence there will be no liability in the hands of Company.

3.43 Disclosure pursuant to Securities (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act read with the Companies (Meeting of Board and its powers)rules 2014 are as follows;-

i) Details of investments are given in note 3.03.

ii) Details of loans given are - Nil

iii) Details of guarantees given - Nil

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.44 The management identified an employee who is suspected to have colluded with vendors and manipulated certain weighment 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 weighment 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, weighment and payment for purchase of raw materials.

3.45 Key Ratios

Particulars	As at 31 March 2023	As at 31 March 2022	Variance
Current Ratio	2.41	1.53	57%
Debt-Equity Ratio	0.03	0.43	-93%
Debt Service Coverage Ratio	11.87	5.32	123%
Return on Equity Ratio	0.24	0.14	70%
Inventory turnover Ratio	5.39	4.72	14%
Trade Receivables Turnover Ratio	6.05	6.17	-2%
Trade payables Turnover Ratio	20.18	22.31	-10%
Net capital Turnover Ratio	5.66	7.35	-23%
Net profit Ratio	0.12	0.06	91%
Return on Capital Employed	0.33	0.21	54%
Return on Investment	1.05	0.39	169%

Items included in above ratios

Particulars	Formula (Numerator/ Denominator)	Remarks for 25% change
Current Ratio	Current Assets / Current Liabilities	The working capital loan balance have come down significantly by 67% resulting in overall increase in Current ratio.
Debt-Equity Ratio	Total Debt/Shareholder's Equity	There is a 121% increase in PAT and equity increased resulting in reduction of D/E ratio.
Debt Service Coverage Ratio	Earnings available for debt service/Debt Service Debt service = Interest & Lease Payments + Principal Repayments	There is a 69 % increase in net operating income and considerable repayments made during last year itself
Return on Equity Ratio	Net Profits after taxes/Average Shareholder's Equity	There is a 121% increase in PAT ,hence the increase in ROE
Inventory turnover Ratio	Sales/Average Inventory	NA
Trade Receivables Turnover Ratio	Credit Sales/Average Accounts Receivable	
Trade payables Turnover Ratio	Purchases/Average Trade Payables	
Net capital Turnover Ratio	Net Sales/Working Capital	
Net profit Ratio	Net Profit/Net Sales	121% increase in PAT resulting in increased NP ratio
Return on Capital Employed	Earnings before interest and taxes/Capital Employed Capital employed = Total AssetsCurrent Liabilities	EBIT increased by 93% resulting in overall increase in ROCE
Return on Investment	Dividend Received/ Total Investments	Increase in dividend received from the subsidiary M/s.Bamni Proteins Ltd.

3.45.1 a) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

b) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

c) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

2) provide any guarante, security or the like on behalf of the ultimate beneficiaries.

Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
2) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2023.

e) The title deeds of all the immovable properties held by the Company disclosed in the financial statements are held in the name of the Company.

f) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

g) The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

h) No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

3.45.2 Details of differences between stock statements submited to Banks and books of accounts.

Name of Bank	Quarter	Particulars	Amount as per Submitted Stock Statements	As per Books of Accounts	Difference	Remarks
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Apr-Jun-2022	Inventory (net of trade payables)	8076.43	7520.54	555.89	Refer Note below#
	Apr-Jun-2022	Trade receivables	7468.97	7294.17	174.8	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	July-Sep-2022	Inventory (net of trade payables)	7918.12	7534.31	383.81	Refer Note below#
	July-Sep-2022	Trade receivables	7798.13	7796.92	1.21	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Oct-Dec-2022	Inventory (net of trade payables)	8,631.94	8,331.42	300.52	Refer Note below#
	Oct-Dec-2022	Trade receivables	8,419.79	8,380.23	39.56	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Jan-Mar-2023	Inventory (net of trade payables)	7,972.70	7,166.51	806.19	Refer Note below#
	Jan-Mar-2023	Trade receivables	7,759.16	7,805.00	(45.84)	

The difference is due to being the stock statements submitted to Banks were on provisional basis before closure of monthly accounts .

3.46 No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

3.47 The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender during the period.

3.48 The Company does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.

3.49 Prior year comparatives have been regrouped/reclassified where necessary to conform with the current period/year classification.The impact of such restatements/ regroupings are not material to Financial Statements.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Independent Auditor's Report

To the Members of Nitta Gelatin India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary, Bamni Proteins Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('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 of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

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 Consolidated Financial Statements 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>(a) Provisions and contingent liabilities relating to litigations (Refer note 3.30 of the accompanying consolidated financial statements):

Following are the significant matters relating to litigations that are outstanding as at 31 March 2023:

i. Customs duty: INR 1,968.36 Lakhs
ii. Other tax matters: INR 613.79 Lakhs

The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Group's reported profits and balance sheet position.

The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.

Key judgments are also made by the management in estimating the amount of liabilities, provisions and/or contingent liabilities related to aforementioned litigations.

Considering the degree of judgment, significance of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</td><td>Our audit work included, but was not limited to the following procedures:

• Obtained an understanding of the management process for:

- identification of legal and tax matters initiated against the Holding Company,

- assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and

- measurement of amounts involved.

• Evaluated the design and tested the operating effectiveness of key controls around above process.

• Obtained an understanding of the nature of litigations pending against the Holding Company and discussed the key developments during the year for key litigations with the management and respective legal counsels handling such cases on behalf of the Holding Company. Tested the independence, objectivity and competence of such management experts involved.

• On a sample basis, obtained and reviewed the necessary evidence which includes correspondence with the external legal counsels and where necessary, inspected minutes of case proceedings available in public domain, to support the decisions and rationale for creation of provisions and / or disclosure of contingent liabilities in respect of each such litigation selected for testing.

• Obtained independent opinion/ confirmations directly from the external legal counsels to confirm management's assessment of outstanding litigation and asserted claims.

• Reviewed each attorney response obtained as above to ensure that the conclusions reached are supported by sufficient legal rationale and adequate information is included for the management to determine the appropriate accounting treatment of such cases in the financial statements.

• Assessed the appropriateness of methods used, and the reliability of underlying data for the underlying calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations.

• Involved our tax specialists to assess the Holding Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates in relation to uncertain tax positions, taking into account past precedents.

• Evaluated the disclosures made under provisions and contingent liability for their appropriateness in accordance with the applicable accounting standards.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matters
(b) Impairment assessment of the carrying value of Property, Plant and Equipment (Refer note 3.01 of the accompanying consolidated financial statements) As at 31 March 2023, the Group is carrying Property, Plant and Equipment ('PPE') aggregating to INR 11,291.29 Lakhs in its financial statements. These balances are subject to a test of impairment by the management where impairment indicators exist. As mentioned in note 3.01 (f) to the consolidated financial statements, as per impairment testing of the carrying value of PPE carried out by the management as at 31 March 2023, in the manner prescribed under Ind AS 36– Impairment of Assets, the total provision for impairment of assets carried in the books is INR 531.95 Lakhs as on 31 March 2023. Fair value and value-in-use of such PPE for the determination of the recoverable amounts involves significant judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, identification of group of assets, reasonable and consistent allocation of corporate assets, future cash flow projections made by the management using internal and external assumptions and using appropriate discount rate. As a result of such judgements and significance of the amounts involved, the matter has been identified as a key audit matter in the current year audit.	Our audit work included, but was not restricted to, the following procedures: • Obtained an understanding of the management process and performed a walkthrough to evaluate design effectiveness and tested operating effectiveness of key controls around identification of impairment indicators, impairment testing of property plant and equipment which include identification of cash generating units at which level such impairment testing is required to be performed. • Obtained the business plans of the Holding Company for the identified cash-generating unit, to corroborate the future cash flows used in value-in-use determination. • Obtained the impairment analysis carried out by the management and report from valuation specialist engaged by the Management. Tested the assumptions used for determination of value-in-use of the cash generating unit. • Performed sensitivity analysis in respect of the key assumptions used, including revenue growth rates, cost reduction targets and discount rate to verify appropriateness of such assumptions. • Compared the actual results of estimates made in prior period to assess accuracy of management's estimates. • Assessed appropriateness of the disclosures made by the management for impairment assessment of carrying value of PPE.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows 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. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, 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 Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 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 these consolidated financial statements.

11. As part of an audit in accordance with 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 consolidated financial statements, 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 adequate internal financial controls system 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 management;
    - 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 financial statements 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; and
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of consolidated financial statements of such entities included in the financial statements, of which we are the independent auditors.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the subsidiary company incorporated in India whose financial statements have been audited under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

A) Following are the qualifications reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company/ subsidiary/ Associate/Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Nitta Gelatin India Limited	L24299KL1975PLC002691	Holding Company	ii(b), vii(a), xi(a)
2	Bamni Proteins Limited	U24231KL1997PLC011971	Subsidiary Company	ii(b)

17. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary company, and taken on record by the Board of Directors of the Holding Company, its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 3.30 to the consolidated financial statements;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 3.16.1 to the consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, during the year ended 31 March 2023;

iv.

a. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 3.46(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 3.46(c) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement

v. The final dividend paid by the Holding Company and its subsidiary company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 3.11(f) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 23206229BGYTQK8755

Place: Kochi
Date: 8 May 2023

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Nitta Gelatin India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 23206229BGYTQK8755

Place: Kochi
Date: 8 May 2023

Nitta Gelatin India Limited

Consolidated Balance Sheet as at 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3.01	11,291.29	10,662.64
(b) Capital work-in-progress	3.01	663.12	711.00
(c) Other intangible assets	3.02	93.86	61.51
(d) Financial assets			
(i) Investments	3.03	100.84	99.68
(ii) Loans	3.04	6.41	3.80
(iii) Other financial assets	3.05	486.61	428.93
(e) Deferred tax assets (net)	3.14	37.15	28.21
(f) Non-current tax assets (net)		733.06	1,213.82
(g) Other non-current assets	3.06	1,218.04	902.50
		14,630.38	**14,112.09**
Current Assets			
(a)Inventories	3.07	9,306.12	10,262.20
(b)Financial assets			
(i) Trade receivables	3.08	8,775.41	8,882.91
(ii) Cash and cash equivalents	3.09	3,022.32	209.29
(iii) Bank balances other than cash and cash equivalents	3.10	59.86	95.17
(iv) Loans	3.04	3.45	2.89
(v) Other financial assets	3.05	122.51	125.85
(c)Other current assets	3.06	824.82	858.75
		22,114.49	**20,437.06**
Total Assets		**36,744.87**	**34,549.15**
EQUITY AND LIABILITIES			
Equity			
(a)Equity share capital	3.11	907.92	907.92
(b)Other equity	3.12	25,852.74	19,179.49
Equity attributable to owners of the parent		26,760.66	20,087.41
Non controlling interests		700.14	443.38
		27,460.80	**20,530.79**
Non-current liabilities			
(a)Financial liabilities			
(i) Borrowings	3.13	685.44	675.86
(b)Provisions	3.17	195.92	383.89
(c)Deferred tax liabilities (net)	3.14	136.96	494.34
		1,018.32	**1,554.09**
Current liabilities			
(a)Financial liabilities			
(i) Borrowings	3.13	3,237.16	7,938.88
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	3.15	99.94	162.93
b) Total outstanding dues of creditors other than micro and small enterprises	3.15	2,772.65	1,921.42
(iii) Other financial liabilities	3.16	634.93	427.61
(b)Other current liabilities	3.18	643.67	778.86
(c)Provisions	3.17	270.08	436.95
(d)Current tax liabilities (net)		607.32	797.62
		8,265.75	**12,464.27**
Total Equity and Liabilities		**36,744.87**	**34,549.15**

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN: 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	3.19	56,536.64	50,597.66
Other income	3.20	81.80	457.74
Total income		**56,618.44**	**51,055.40**
EXPENSES			
Cost of materials consumed	3.21	26,910.25	27,567.25
Changes in inventories of finished goods and work-in-progress	3.22	53.14	(10.50)
Employee benefits expense	3.23	5,079.59	4,745.60
Finance costs	3.24	343.57	478.86
Depreciation and amortisation expenses	3.25	1,412.38	1,436.71
Other expenses	3.26	13,209.62	11,921.64
Total expenses		**47,008.55**	**46,139.56**
Profit before exceptional items and tax		**9,609.89**	**4,915.84**
Exceptional items		**296.87**	**-**
Profit before tax		**9,906.76**	**4,915.84**
Tax expense			
Current tax	3.35	2,875.76	1,490.63
Income tax relating to earlier years		8.88	-
Deferred tax credit		(367.87)	(59.49)
Profit for the year		**7,389.99**	**3,484.70**
Other comprehensive income (OCI)			
Items that will not be subsequently reclassified to profit or loss:			
a) Re-measurement gain/(loss) on defined benefit plans		20.58	(186.14)
Income tax relating to items that will not be subsequently reclassified to profit or loss		(5.18)	54.02
		15.40	**(132.12)**
b) Measurement of financial assets through other comprehensive income		1.16	5.48
Income tax relating to items that will not be subsequently reclassified to profit or loss		(0.24)	(1.14)
		0.92	**4.34**
Net of items that will not be reclassified subsequently to profit or loss:		**16.32**	**(127.78)**
Items that will be reclassified subsequently to profit or loss:			
a) Loss recognised on cash flow hedges		(16.58)	(153.80)
Income tax relating to items that will be reclassified to profit or loss		4.69	44.38
Net of items that will be reclassified subsequently to profit or loss:		**(11.89)**	**(109.42)**
Total other comprehensive income/(loss), net of tax		**4.43**	**(237.20)**
Total comprehensive income for the year		**7,394.42**	**3,247.50**
Profit attributable to:			
Equity holders of the Company		7,031.11	3,292.02
Non-controlling interest		358.88	192.68
Other comprehensive (loss)/income attributable to:			
Equity holders of the Company		5.30	(235.21)
Non-controlling interest		(0.87)	(1.99)
Total comprehensive income attributable to:			
Equity holders of the Company		7,036.41	3,056.81
Non-controlling interest		358.01	190.69
Earnings per equity share (₹ per share)	3.27		
Basic		**77.44**	**36.26**
Diluted		**77.44**	**36.26**

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited
Consolidated Cash Flow Statement for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities:		
Profit before tax	**9,906.76**	**4,915.84**
Adjustments for:		
Depreciation and amortisation expense	1,412.38	1,436.70
Gain/(loss) on disposal of Propoerty, Plant and Equipment (net)	(150.18)	0.51
Provision for impairment on Plant and machinery	-	22.00
Finance Costs	343.57	478.86
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 (gain)/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
Interest Received	71.08	17.08
Investment in Bank deposit (Net)	(28.65)	(6.04)
Dividend Received	-	0.17
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)/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 - (C)	**(5,462.73)**	**(176.52)**
Net increase in cash and cash equivalents	**2,813.03**	**116.86**
Cash and Cash Equivalents at beginning of the year - (A)+(B)+(C)	**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 (Refer note 3.09)		
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	-
	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 1 April 2021	Cash flows	Non cash changes	As at 31 March 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

Nitta Gelatin India Limited

Consolidated Cash Flow Statement for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at 1 April 2022	Cash flows	Non cash changes	As at 31 March 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

The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN: 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

	Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1) For the period from 1 April 2022 to 31 March 2023	907.92	-	907.92

	Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
2) For the period from 1 April 2021 to 31 March 2022	907.92	-	907.92

B. Other equity

	Equity component of compound financial instrument	Reserves and Surplus						Items of other comprehensive income			Total other equity	Non-controlling interests	Total
		Securities premium reserve	Retained earnings	Special export reserve	Capital redemption reserve	Capital reserve on merger	General reserve	Effective portion of cash flow hedges	Equity instruments through other comprehensive income	Other items of other comprehensive income / (loss)			
Balance as at 1 April 2022	**984.43**	**2,895.90**	**4,850.21**	**79.00**	**-**	**2,750.62**	**7,947.86**	**16.95**	**15.28**	**(360.76)**	**19,179.49**	**443.38**	**19,622.87**
Profit for the year	-	-	7,031.11	-	-	-	-	-	-	-	7,031.11	358.88	7,389.99
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(16.95)	0.92	21.33	5.30	(0.87)	4.43
Transfer to Capital redemption reserve	-	-	(1,580.00)	-	1,580.00	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	(363.16)	-	-	-	-	-	-	-	(363.16)	(101.25)	(464.41)
Balance as at 31 March 2023	**984.43**	**2,895.90**	**9,938.16**	**79.00**	**1,580.00**	**2,750.62**	**7,947.86**	**-**	**16.20**	**(339.43)**	**25,852.74**	**700.14**	**26,552.88**
Balance as at 1 April 2021	**984.43**	**2,895.90**	**1,830.56**	**79.00**	**-**	**2,750.62**	**7,947.86**	**124.38**	**10.94**	**(228.64)**	**16,395.05**	**290.19**	**16,685.24**
Profit for the year	-	-	3,292.02	-	-	-	-	-	-	-	3,292.02	192.68	3,484.70
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(107.43)	4.34	(132.12)	(235.21)	(1.99)	(237.20)
Dividend paid during the year	-	-	(272.37)	-	-	-	-	-	-	-	(272.37)	(37.50)	(309.87)
Balance as at 31 March 2022	**984.43**	**2,895.90**	**4,850.21**	**79.00**	**-**	**2,750.62**	**7,947.86**	**16.95**	**15.28**	**(360.76)**	**19,179.49**	**443.38**	**19,622.87**

See accompanying notes forming part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN: 01219764

Sahasranaman P.
Chief Financial Officer

E. Nandakumar
Director
DIN: 01802428

Vinod Mohan
Company Secretary

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023

(All amounts are in ₹ Lakhs, unless otherwise stated)

1. General Information:

Nitta Gelatin India Limited ('the Holding Company'/ 'NGIL'), a public limited company, operates in the business of manufacture and sale of ossein, gelatin and collagen peptide. The Holding Company's shares are listed for trading on BSE Limited in India.The address of the Registered office of the Holding Company is 56/715, SBT Avenue, P B No. 4262, Panampilly Nagar, Kochi, Kerala . Pin - 682036.

The consolidated financial statements comprise financial statements of Holding Company and its Subsidiary (together referred to as the "Group").

These consolidated financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 8 May 2023.

2. Summary of significant accounting policies

a) Basis of accounting and preparation

These Consolidated Financial Statements are the separate Financial Statements of the Company (also called Standalone Financial Statements), prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and the presentation and disclosures requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable and the guidelines issued by the Securities and Exchange Board of India.

The consolidated financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Financial Statements are presented in Indian Rupees(₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The accounting policies have been applied consistently over all the periods presented in this financial statements except where newly issued accounting standard is initially adopted.

Previous year figures have been re-grouped/reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

b) Basis of consolidation

The consolidated financial statements of the group include :

Subsidiary	Country of incorporation	Percentage of share holding/voting power	
		31 March 2023	31 March 2022
Bamni Proteins Limited	India	82.35%	82.35%

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangement
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest represents the amount of equity not attributable, directly or indirectly, to the Company at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, consolidated statement of changes in equity and Consolidated balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

c) Use of estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant management judgements
The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognized in

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

c) Use of estimates *(cont'd)*

the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Classification of leases

The Group enters into leasing arrangements for some assets. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note no. 3.34, for effect of transition to Ind AS 116 and other disclosures relating to leases.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstsanding receivables and advances.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as 12 months.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

e) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

For qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Group depreciates Property, plant and equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

Asset Category	Useful lives (in years
Factory Building	30
Office Building	60
Plant and Equipment	5 - 25
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

f) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Group amortizes intangible assets over their estimated useful lives using the Written Down Value Method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

amount may not be recoverable.

h) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of Promised goods or services to a customer at an amount that reflect the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price, net of variable consideration and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognized when the control on the goods have been transferred to the customers. The performance obligation in case of sale of goods is satisfied at a point in time, i.e., when the material is shifted to the customer or on delivery to the customer as may be specified in the contract.

Export incentives

Income from export incentives are recognised when the right to receive credit as per the terms of the scheme is established and when there is certainty of realisation.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "Other income" in the Statement of Profit and Loss. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties is accounted for over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

i) Employee benefits

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and employee state insurance scheme. The Group recognises contribution payable to the schemes as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group has defined contribution plans for employees comprising of Superannuation, Provident Fund and Employee's State Insurance. The contributions paid/ payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

Defined benefit plan

Gratuity

Payment of Gratuity to employees is covered by the KCPL Gratuity Trust Scheme based on the Group Gratuity cum Assurance Scheme of the LIC of India, which is a defined benefit scheme and the Group make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Long term employee benefits

Compensated absences

The Group provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

j) Leases
Effective from 1st April 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1 April 2019 using the modified retrospective method on the date of initial application i.e. 1 April 2019. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee
The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

Finance Lease
In the comparitive period, leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease. All other leases are classified as Operating lease.

Operating Lease
In the comparitive period, leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

sheet based on their nature.

k) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These Consolidated Financial Statements are presented in Indian Rupees (₹).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Inventories

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realizable value of bought out inventories is taken at their current replacement value.

n) Research and development

Revenue expenditure (net of recoveries) pertaining to Research is charged to the Statement of Profit and Loss in the year in which it is incurred. Costs of development of products is also charged to the Statement of Profit and Loss in the year it is incurred, unlessa products technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expediture that can be directly attributed or, allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

p) Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting

(All amounts are in ₹ Lakhs, unless otherwise stated)

purposes, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

q) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

r) Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost;
ii. Debt instruments at fair value through other comprehensive income (FVTOCI);
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
iv. Equity investments.

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit & loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ₹ and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

r) Financial instruments *(cont'd)*

hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted sales. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

u) Cash and cash equivalents

Cash and cash equivalent in the statement of financial position comprises cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

v) Dividend distribution to equity holders

Dividends to the Company's equity shareholders are recognised when the dividends are approved for payment by the shareholders.

w) Assets held for sale

An entity shall classify a non-current asset (or disposal

(All amounts are in ₹ Lakhs, unless otherwise stated)

group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of manufacture and sale of Gelatin, Ossein, DCP and Collagen Peptide, which form broadly part of one product group and hence constitute a single business segment.

y) Earnings per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Group (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

z) Business combination of entities under common control

Business combinations involving entities that are controlled by the Company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

i. The assets and liabilities of the combining entities are reflected at their carrying amounts.

ii. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

iii. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

iv. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

v. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately as capital reserves.

aa) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their natureor incidence

ab) New standards and interpretations not yet adopted

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

a). Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b). Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c).Ind AS 8 Accounting policies, Changes in Acconting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01 Property, plant and equipment (PPE) and Capital work-in-progress

	Freehold Land	Right Of Use Asset Leasehold Land	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital work-in-progress
Gross carrying amount:									
Balance as at 1 April 2021	**471.30**	**884.18**	**3,611.98**	**12,844.07**	**81.29**	**168.17**	**78.61**	**18,139.60**	**185.48**
Additions	-	-	154.46	624.80	8.17	39.12	44.36	870.91	690.81
Disposals	-	-	2.20	65.55	1.21	13.45	40.85	123.26	165.29
Balance as at 31 March 2022	**471.30**	**884.18**	**3,764.24**	**13,403.32**	**88.25**	**193.84**	**82.12**	**18,887.25**	**711.00**
Additions	-	267.88	224.85	1,520.55	9.69	38.40	41.31	2,102.68	777.23
Disposals	0.93	-	28.23	397.66	3.51	18.33	19.59	468.25	825.11
Balance as at 31 March 2023	**470.37**	**1,152.06**	**3,960.86**	**14,526.21**	**94.43**	**213.91**	**103.84**	**20,521.68**	**663.12**
Accumulated depreciation and impairment									
Balance as at 1 April 2021	**-**	**134.53**	**1,204.22**	**5,350.65**	**41.66**	**110.08**	**54.17**	**6,895.31**	**-**
Depreciation charge for the year	-	9.11	214.59	1,137.88	11.08	33.21	8.65	1,414.52	-
Disposals	-	-	1.55	57.37	1.17	12.50	34.63	107.22	-
Impairment Loss (refer note f below)	-	-	-	22.00	-	-	-	22.00	-
Balance as at 31 March 2022	**-**	**143.64**	**1,417.26**	**6,453.16**	**51.57**	**130.79**	**28.19**	**8,224.61**	
Depreciation charge for the year	-	9.35	211.87	1,084.12	10.60	39.50	24.78	1,380.22	-
Disposals	-	-	20.38	317.77	3.20	17.28	15.81	374.44	-
Balance as at 31 March 2023	**-**	**152.99**	**1,608.75**	**7,219.51**	**58.97**	**153.01**	**37.16**	**9,230.39**	**-**
Net carrying amount									
As at 31 March 2022	**471.30**	**740.54**	**2,346.98**	**6,950.16**	**36.68**	**63.05**	**53.93**	**10,662.64**	**711.00**
As at 31March 2023	**470.37**	**999.07**	**2,352.11**	**7,306.70**	**35.46**	**60.90**	**66.68**	**11,291.29**	**663.12**

Note:

a. **Contractual obligations**
Refer note 3.31.

b. **Capitalised borrowing cost**
Borrowing costs capitalised in the books of the Holding Company during the year ended 31 March 2023 is ₹ 27.63 Lakhs (31 March 2022 : Nil).

c. **Property, plant and equipment pledged as security**
Refer note 3.28

d. Additions to Plant & Equipment include Research & Devopment Assets capitalised during the year ₹ 4.02 Lakhs (31st March 2022 - ₹ 16.12 Lakhs) (Refer note 3.26.1)

e. The gross carrying value, accumulated depreciation and net carrying value as at 31 March 2023 and 31 March 2022 includes the assets of M/s Reva Proteins Limited, erstwhile subsidiary company, (the 'Transferor company') which was merged with the Company w.e.f 1 April 2017 as per the orders of the National Company Law Tribunal, Chennai dated 27 March 2019. The carrying value of assets and liabilities of the Transferor company as of 01 April 2017 was taken over and included in the values of assets and liabilities of the Company.

f. Performance of the plant in Reva Division, Bharuch of the Holding 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). In the opinion of the management the utilisation of the capacity in this plant is important to ensure that the Gelatin capacity of the Company is fully utilised. In view of the existence of certain indicators of impairment of assets of the Company in this plant, the Holding Company was conducting impairment testing of the carrying value of all Property, Plant and Equipment in this plant till 31 December 2021 in the manner prescribed in Ind AS 36 and necessary provision for impairment of assets was carried in the books.

As directed by the Board of Directors vide their meeting dated 7 February 2022, management performed a comprehensive technical and financial evaluation to identify the fundamental cause behind the lower margin at the division. 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 manufacture 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. Based on the cash flow projections made by the company for this CGU, the recoverable amount of the group of assets is determined to be ₹ 209.80 Lakhs as against the carrying amount of ₹ 741.75 Lakhs. The total provision for impairment of assets carried in the books is ₹ 531.95 Lakhs and no further provision is considered necessary on this account.

g. Right of Use Asset includes "Leasehold land" which represents land obtained on long term lease from various Government authorities. The same has been reclassified to Right of Use Assets on account of adoption of Ind AS 116 "Leases".

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.01.01 Capital work-in-progress (CWIP)

CWIP ageing schedule

CWIP	Amount in CWIP as at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	464.90	184.31	10.94	2.97	663.12
Projects temporarily suspended	-	-	-	-	-

CWIP	Amount in CWIP as at 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	682.86	10.94	-	17.2	711.00
Projects temporarily suspended	-	-	-	-	-

There are no Capital Work in Progress which are overdue or has exceeded the costs compared to its original plan.

3.02 Other Intangible assets

Other Intangible assets	Software	Total
Gross carrying amount:		
Balance as at 1 April 2021	**112.55**	**112.55**
Additions	52.01	52.01
Disposals		-
Balance as at 31 March 2022	**164.56**	**164.56**
Additions	64.51	64.51
Disposals	-	-
Balance as at 31 March 2023	**229.07**	**229.07**
Accumulated depreciation		
Balance as at 1 April 2021	**80.86**	**80.86**
Amortisation for the year	22.19	22.19
Disposals	-	-
Balance as at 31 March 2022	**103.05**	**103.05**
Amortisation for the year	32.16	32.16
Disposals	-	-
Balance as at 31 March 2023	**135.21**	**135.21**
Net carrying amount		
As at 31 March 2022	**61.51**	**61.51**
As at 31 March 2023	**93.86**	**93.86**

Note:

Contractual obligation

There are no contractual commitments for the acquisition of intangible assets.

	As at 31 March 2023	As at 31 March 2022
3.03 Investments		
a) Investments in Equity Instruments		
At FVOCI, Quoted #		
(a) 4,200 (4,200) Equity Shares of ₹1 each in State Bank of India, fully paid up	21.93	20.77
(b) 100 (100) Equity Shares of ₹10 each in Industrial Finance Corporation of India Limited, fully paid up	0.01	0.01
Aggregate amount of quoted investments	**21.94**	**20.78**
At FVTPL, Unquoted		
(a) 60,000 (60,000) fully paid up Equity Shares of ₹10 each in Kerala Enviro Infrastructure Limited	6.00	6.00
(b) 300,000 (300,000) fully paid up Equity Shares of ₹10 each in Seafood Park India Limited	31.50	31.50
(c) 50,000 (50,000) fully paid up Equity Shares of ₹10 each in Cochin Waste 2 Energy Private Limited	5.00	5.00
Less: Provision for impairment of investments	(5.00)	(5.00)
(d) 414,000 (414,000) fully paid up equity shares of ₹10 each in Narmada Clean Tech Limited	41.40	41.40
Aggregate amount of unquoted investments	**78.90**	**78.90**
Total Investments	**100.84**	**99.68**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Aggregate amount of quoted investments	21.94	20.78
Aggregate market value of quoted investments	21.94	20.78
Aggregate amount of unquoted investments	83.90	83.90
Aggregate amount of impairment in value of investments	(5.00)	(5.00)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

		As at 31 March 2023	As at 31 March 2022
3.04	**Loans**		
	Non-current		
	(Unsecured, considered good)		
	Loan to employees	6.41	3.80
		6.41	**3.80**
	Current		
	(Unsecured, considered good)		
	Loan to employees	3.45	2.89
		3.45	**2.89**
3.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	442.33	401.98
	Balances with banks - deposit accounts	-	11.04
	Earmarked balances with banks for unpaid dividend**	44.28	15.91
		486.61	**428.93**
	Current		
	(Unsecured, considered good)		
	Security deposits	1.40	1.13
	Advances recoverable in cash or in kind	97.78	72.88
	Hedge asset (foreign exchange forward contract)	-	34.66
	Others	23.33	17.18
		122.51	**125.85**
	** Not due for deposit in the investor education and protection fund.		
3.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	i. Capital advance	157.99	98.32
	ii. Advances other than capital advances;		
	a. Other advances		
	Prepaid expenses	13.53	7.01
	iii. Others		
	Export incentive receivable (refer note (a) below)	937.95	630.74
	VAT refund receivable	42.78	88.27
	Deposit with government authorities	65.79	78.16
	(Unsecured, considered doubtful)		
	Export incentive receivable (refer note (a)(b) and (c) below)	199.28	213.88
	Less: Provision for doubtful receivable	(199.28)	(213.88)
		1,218.04	**902.50**
	Current		
	(Unsecured, considered good)		
	i. Advances other than capital advances;		
	Advances to suppliers and contractors	298.28	168.66
	Prepaid expenses	223.12	152.73
	ii. Others		
	Balances with statutory authorities	35.35	163.59
	Export incentive receivable/benefit (MEIS, RoDTEP & Advance authorisation)	268.07	373.77
		824.82	**858.75**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Export incentives receivable includes:

(a) Claims amounting to ₹ 208.18 Lakhs (31 March 2022: ₹ 208.18 Lakhs) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Company had also availed Duty Drawback benefit for the corresponding periods amounting to ₹ 41.51 Lakhs (31 March 2022: ₹ 41.51 Lakhs). The Dy. Director General of Foreign Trade vide letter dt 3 October 2011 had informed the Company that the dual benefit of DEPB as well as Duty Drawback cannot be allowed and advised that either DEPB benefit or Duty Drawback on the export product may be availed. The Company has been legally advised that it is entitled to both benefits as per the relevant regulations, based on which representations have been filed before higher authorities. During an earlier year, the Grievance Committee of the Directorate General of Foreign Trade have heard the Company's grievance application and remanded the matter back to the original adjudicating authorities for re-examining and for issuing necessary clarification based on the provisions of Foreign Trade Policy. Though the management is of the opinion that these claims are fully recoverable, provision of ₹ 113.14 Lakhs has been created in the accounts towards Duty Drawback claim for the relevant period as a matter of prudence.

(b) Claim for duty drawback on furnace oil consumed relating to earlier years amounting to ₹ 64.62 Lakhs (31 March 2022: ₹ 64.62 Lakhs) which has been decided against the Company by the division bench of the Hon'ble High Court of Kerala. The Company has sought further appeal before Hon'ble Supreme Court and although the Company is hopeful of favourable order, provision of ₹ 64.62 Lakhs has been created in respect of such disputed claims in the books of account as a matter of prudence.

(c) During the financial year ended 31 March 2022, Company had made a provision of ₹ 36.12 Lakhs towards All Industry Rate duty drawback claims which were pending for clearance by the Customs Department, out of which, during the current financial year, Company received a claim amount of ₹ 14.60 Lakhs. Balance provision of ₹ 21.52 Lakhs is carried in the books of accounts as at 31 March 2023.

		As at 31 March 2023	As at 31 March 2022
3.07	**Inventories**		
	Raw materials #	2,289.78	3,218.33
	Raw materials in-transit	72.16	-
	Work-in-progress	3,823.18	3,960.65
	Finished goods	2,435.70	2,351.37
	Stores and spares #	580.59	647.42
	Packing materials	104.71	84.43
		9,306.12	**10,262.20**

The inventory balance for the year ended 31 March 2023 is net of provision created towards slow moving inventory of fish protein amounting to ₹ 866.59 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 ₹ 159.69.00 Lakhs is created towards provision for slow moving finished goods.

Method of valuation of inventories- refer 2(l) of significant accounting policies.
For inventories pledged as security refer note 3.28

		As at 31 March 2023	As at 31 March 2022
3.08	**Trade Receivables**		
	Unsecured		
	Considered good	8,803.86	8,911.36
	Credit impaired	4.60	4.60
		8,808.46	8,915.96
	Less: Loss allowance	(33.05)	(33.05)
		8,775.41	**8,882.91**

Ageing of Receivables for the year ended 31 March 2023

	Outstanding for following periods from due date of payment					
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	8,803.83	-	-	-	0.03	8,803.86
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	4.60
Less: Loss allowance						(33.05)
Total Trade receivables						**8,775.41**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Ageing of Receivables for the year ended 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	8,911.06	-	-	-	0.30	8,911.36
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	4.60
Less:Loss Allowance	-	-	-	-		(33.05)
Total Trade receivables						**8,882.91**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

		As at 31 March 2023	As at 31 March 2022
3.09	**Cash and Cash Equivalents**		
	Balance with banks (with original maturity less than three months)		
	- In Current accounts	1,210.67	206.84
	Cash on hand	2.25	2.45
	Balance with bank in deposit accounts- with original maturity less than three months	1,809.40	-
		3,022.32	**209.29**
3.10	**Bank balances other than cash and cash equivalents**		
	Balance with banks (with original maturity more than three months but less than twelve months)		
	- In deposit accounts	59.86	95.17
		59.86	**95.17**

* Balance with banks in deposit accounts include ₹ 59.86 Lakhs (31 March 2022: ₹ 95.17 Lakhs) with a original maturity period of less than twelve months, which includes the deposits which are held as security against Letter of Credits/Guarantee and Buyers Credit.

3.11 Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount.
(a) Authorised				
Equity share of ₹10 each	40,000,000	4,000.00	40000000	4,000.00
Optionally Convertible on cumulative preference shares of ₹ 170 each	929,412	1,580.00	929412	1,580.00
Optionally Convertible non cumulative preference shares of ₹ 10 each	20,000,000	2,000.00	20000000	2,000.00
Redeemable Preference Shares of ₹ 10 each	4,444,444	444.44	4444444	444.44
	65,373,856	8,024.44	65,373,856	8,024.44
(b) Issued, subscribed and fully paid-up				
Equity share of ₹ 10/- each	9,079,160	907.92	9,079,160	907.92
	9,079,160	**907.92**	**9,079,160**	**907.92**

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount.
Equity share of ₹ 10/- each				
Opening balance	9,079,160	907.92	9,079,160	907.92
Issue of shares during the year	-	-	-	-
Closing balance	**9,079,160**	**907.92**	**9,079,160**	**907.92**

(b) Terms/Rights attached to equity share holders:

The Holding company has only one class of shares referred to as equity shares with a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders' in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by holding company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%	No. of shares	%
Equity share of ₹ 10/- each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(d) Details of shares held by each shareholder holding more than 5% of shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	%	No. of shares	%
Equity share of ₹ 10/- each				
Nitta Gelatin Inc. Japan	3,900,300	42.96	3,900,300	42.96
Kerala State Industrial Development Corporation Ltd	2,862,220	31.52	2,862,220	31.52

(e) Details of shares held by promoters as at 31 March 2023

Particulars	As at 31 March 2023		
	No. of shares	%	% of change during the year
Equity share of ₹ 10/- each			
Nitta Gelatin Inc. Japan	3,900,300	42.96	-
Kerala State Industrial Development Corporation Ltd	2,862,220	31.52	-

(f) Distribution of dividend paid and proposed

Particulars	As at 31 March 2023	As at 31 March 2022
Dividends on equity shares declared and paid for the year ended 31 March 2022 (₹ 4 per equity share) (₹ 3 per equity share for FY 2020-21)	363.17	272.37
Proposed cash dividend for the year ended 31 March 2023 (₹ 7.5 per equity share) (₹ 4 per equity share for FY 2021-22)	680.94	363.17

(g) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	--	--	--	--	-

3.12 Other equity (Refer Consolidated Statement of Changes in Equity)

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium	2,895.90	2,895.90
Special export reserve	79.00	79.00
Equity component of compound financial instruments	984.43	984.43
General reserve	7,947.86	7,947.86
Capital redemption reserve	1,580.00	-
Capital reserve on merger	2,750.62	2,750.62
Retained earnings	9,938.16	4,850.21
Items of Other comprehensive income		
- Hedge reserve	-	16.95
- Equity Instruments through OCI	16.20	15.28
- Remeasurement of defined benefit plans(net)	(339.43)	(360.76)
	25,852.74	**19,179.49**

Description of nature and purpose of each reserve:

a. Securities premium

The amount received in excess of face value of the equity shares was recognised in securities premium. The reserve is utilised in accordance with the provisions of the Act.

b. Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c. Special export reserve

Special export reserve was created as per the provisions of Income Tax Act, 1961 for availing the tax benefits for exports.

d. Equity component of compound financial instruments

The difference between the fair value and cost of the financial instrument has been considered as additional contribution and shown as part of Other equity.

e. General reserve

General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

f. Capital reserve on merger

Capital reserve was created on merger of erstwhile subsidiary, M/S. Reva Proteins Limited with the Company. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

g. Items of other comprehensive income

i) **Hedge reserve:** Effective portion of fair value gain/(loss) on all financial instrument designated in cash flow hedge relationship are accumulated in hedge reserve.

ii) **Equity Instruments through Other Comprehensive Income:** The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the Equity Instruments through OCI. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

iii) **Re-measurement gains/(loss) on defined benefit plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

3.13 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Non current		
(Secured)		
Term loans from banks:		
- From State Bank of India	437.38	341.20
(Unsecured)		
Loan from related party:		
- External Commercial Borrowings (ECB) from Nitta Gelatin Inc	-	462.06
Liability component of redeemable preference shares	398.06	392.60
Liability component of optionally convertible preference shares	10.99	1,555.29
	846.43	**2,751.15**
Current portion of liability component of optionally convertible preference shares	(10.99)	(1,555.29)
Current maturities of non-current borrowings	(150.00)	(520.00)
	685.44	**675.86**

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
(Secured)		
Loans repayable on demand		
From Banks:		
Cash credits/working capital demand loans	1,992.45	4,532.32
Bills discounting	1,083.72	1,331.27
Current portion of liability component of optionally convertible preference shares	10.99	1,555.29
Current maturities of non-current borrowings	150.00	520.00
	3,237.16	**7,938.88**

Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

3.13 Borrowings (Non Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (Secured)					
i)	State Bank Of India	Exclusive first charge over the Property, Plant and Equipment financed out of the term loan	Principal repayments will be in 16 quarterly installments commencing from june 2022	437.38	341.20
				437.38	**341.20**

The interest on one of the term loans from State Bank of India is linked to LIBOR rates; the effective interest rate ranges from 2.06 % to 6.42%. For the other loan; the interest is linked to EBLR and the effective interest rate is 13.15% at present.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13 Borrowings (Non-Current) (*cont'd)*

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2023	As at 31 March 2022
Term loans from related party (Unsecured)					
i.	ECB from Nitta Gelatin Inc	ECB's are unsecured	(a) The principal amount of ₹ 650 Lakhs taken by the Company, repayable in five annual instalments of ₹ 130 Lakhs on 24 March 2019, 24 March 2020, 24 March 2021, 24 March 2022 and 24 March 2023 and the interest rate is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests (b) The principal Amount of ₹ 900 Lakhs taken by the Company, repayable in 15 Equal Instalments of ₹ 60 lakhs each from Dec 2019 to Jun 2023. The interest is payable @ 6 months USD LIBOR Rate + 5.00 % at half yearly rests.	-	462.06
	Total			**-**	**462.06**

The interest on above term loans from NGI are linked to LIBOR rates. The effective interest rates per annum ranges between +5.80 % to + 8.66 %.

ii	Redeemable preference shares		Refer note (3.13.1) below	398.06	392.60
	Liability component of optionally convertible preference shares			10.99	1,555.29
				409.05	**1,947.89**
	Total Borrowings (Non current including current maturities			**846.43**	**2,751.15**

3.13.1 Pursuant to the merger as detailed in Note 3.42 , the company had issued 44,44,444 numbers of Redeemable Preference shares of ₹ 10/- each to Nitta Gelatin Inc., as consideration for their equity holding of 48,00,000 shares in the Transferor Company during the financial year 2019-20. These preference shares are redeemable at par at the expiry of seven years from the date of allotment. i.e. 3 April 2019.

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2023	As at 31 March 2022
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting and Buyers Credit)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the Property, plant and equipment of the Company. The Interest rate for USD denominated working capital loans is 0.75% to 0.90% over the SOFR rates and for JPY denominated loans is 0.75 % to 2.00 % over the TONR rates.	The loans are repayable on demand	1,992.45	4,532.32
ii	Cash Credit / Short term loans in Indian Rupee from Banks / Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and by way of pari passu charge on the property, plant and equipments of the Company. The interest rate ranges from 7.75 % to 10.10 %.	The loans are repayable on demand	1,083.72	1,331.27
				3,076.17	**5,863.59**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.13 Borrowings (Current) *(cont'd)*

3.13.2 The Holding Company had issued 929,412 Nos of Optionally Convertible Non-Cumulative Preference Shares ('OCPS') with a face value of ₹ 170/- each for cash at par on a preferential basis to M/s. Nitta Gelatin Inc., Japan, a significant shareholder. Each holder of Preference shares is entitled to a preferential right for fixed dividend of 5.4029% (5 % + 6 months USD LIBOR as on record date i.e., 17.04.2015) per annum on the face value of the OCPS, on a non-cumulative basis payable on pro-rata basis from date of allotment, if declared. The OCPS is convertible into an equal number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment (i.e. 28 April 2015), in one or more financial years, at a price of ₹ 170/- each (inclusive of a premium of ₹ 160/- per share). All outstanding Optionally Convertible Non-Cumulative Preference Shares, which are not converted into equity shares at the end of the 18 months from the date of allotment are redeemable at par at the expiry of seven years from date of allotment or except as is otherwise repayable on the exercise of a put and call option at the expiry of five years from date of allotment subject to such approvals as may be required. No OCPS was converted into equity shares till the completion of the period of 18 months from the date of allotment. The entire OCPS have been repaid during the financial year.

	Particulars	As at 31 March 2023	As at 31 March 2022
3.14	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability		
	Differences between book balance and tax balance of property, plant and equipment	691.31	893.58
	Timing differences on assessment of income	10.70	94.03
	Deferred Tax Assets		
	Deferred tax impact on fair value changes	(64.79)	(60.93)
	Provision for doubtful debts and others	(334.38)	(151.21)
	Provision for employee benefits	(73.00)	(178.37)
	Provision for duty on fish protein	(55.37)	-
	Mat Credit Entitlement	-	(109.03)
	MTM Provision for Forward contracts	(15.87)	-
	Others	(59.61)	(21.94)
	Deferred Tax Liabilities (Net)	**98.99**	**466.13**
	Deferred Tax Assets- Bamni Proteins Ltd	**37.15**	**28.21**
	Deferred Tax Liability- Nitta Gelatin India Limited	**136.96**	**494.34**

Movement in Deferred tax liabilities/(assets) balances during the year ended 31 March 2023

Particulars	Opening Balance	MAT credit utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	893.58	-	(202.27)	-	691.31
Timing differences on assessment of income	94.03	-	(83.33)	-	10.70
Deferred tax impact on fair value changes	(60.93)	-	0.59	(4.45)	(64.79)
Provision for doubtful debts and others	(151.21)	-	(183.17)	-	(334.38)
Provision for employee benefits	(178.37)	-	100.19	5.18	(73.00)
Provision for duty on fish protein		-	(55.37)	-	(55.37)
MAT Credit entitlement	(109.03)	-	109.03	-	0.00
MTM Provision for Forward contracts	-	-	(15.87)	-	(15.87)
Others	(21.94)	-	(37.67)	-	(59.61)
Deferred Tax Liabilities (Net)	**466.13**	**-**	**(367.87)**	**0.73**	**98.99**

Movement in Deferred tax liabilities/(assets) balances during the year ended 31 March 2022

Particulars	Opening Balance	MAT credit utilisation	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets)					
Differences between book balance and tax balance of property, plant and equipment	971.70	-	(78.12)	-	893.58
Timing differences on assessment of income	60.70	-	33.33	-	94.03
Deferred tax impact on fair value changes	(42.76)	-	22.44	(40.61)	(60.93)
Unabsorbed depreciation and carried forward tax losses	-			-	-
Provision for doubtful debts and others	(122.81)	-	(28.40)	-	(151.21)
Provision for employee benefits	(127.94)	-	2.43	(52.86)	(178.37)
MAT credit entitlement	(599.00)	489.97		-	(109.03)
Others	(6.96)	-	(11.19)	(3.79)	(21.94)
Deferred Tax Liabilities (Net)	**132.93**	**489.97**	**(59.51)**	**(93.47)**	**466.13**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

	Particulars	As at 31 March 2023	As at 31 March 2022
3.15	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises	99.94	162.93
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,772.65	1,921.42
		2,872.59	**2,084.35**

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company. This has been relied upon by the auditors.

i) Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	99.94	162.93
ii) Interest due thereon remaining unpaid	1.36	0.47
iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
v) Interest accrued and remaining unpaid	1.36	0.47
vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Trade payable ageing schedule as at 31 March 2023

	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	99.94	-	-	-	99.94
(ii) Others	2,741.19	30.14	-	1.32	2,772.65
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Trade payable ageing schedule as at 31 March 2022

	Outstanding for following periods from due date of payment/transaction				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	162.93	-	-	-	162.93
(ii) Others	1904.92	10.10	-	6.40	1,921.42
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.16 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Unpaid dividend*	17.40	15.91
Creditors for capital goods	37.43	-
Hedge liability**	63.07	-
Employee related liabilities	508.31	408.66
Others	8.72	3.04
	634.93	**427.61**

* Earmarked balances with banks for unpaid dividend
** Refer Note 3.26.4

3.17 Provisions

	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits (net) (Refer note 3.37)		
- Gratuity	33.58	170.09
- Compensated absence	162.34	213.80
	195.92	**383.89**
Current		
Provision for employee benefits (net) (Refer note 3.37)		
- Gratuity	37.31	98.23
- Compensated absence	38.65	115.86
Others (Refer note 3.30)	194.12	222.86
	270.08	**436.95**

3.18 Other liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Advance from customer	81.86	268.63
Others		
- Statutory dues	150.13	113.84
- Deferred income	411.68	396.39
	643.67	**778.86**

3.19 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from Sale of goods		
Sale of products	55,590.21	49,009.67
Other Operating Revenues		
Scrap sale	97.13	77.11
Export Incentive		
- Government Grant	441.71	876.74
- Duty Drawback	256.19	248.53
- Status Holder Incentive Scrip	144.80	356.75
Provision/sundry balances written back	0.44	12.47
Other Miscellaneous income	6.16	16.39
	946.43	**1,587.99**
	56,536.64	**50,597.66**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year ended 31 March 2023	Year ended 31 March 2022
3.19.1	**Disclosure under Ind AS 115 - Revenue from contracts with customers**		

Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 3.29 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 “Revenue from contract with Customers”. Hence, no seperate disclosures of disaggregated revenues are reported.

Contract Balances

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Trade Receivables	8,775.41	8,882.91
Contract liabilities - advance from customers	81.86	268.63
	8,857.27	**9151.54**

During the year ended 31 March 2023, the Group has recognised revenue of ₹ 268.63 Lakhs (31 March 2022: ₹ 553.42 Lakhs) arising from opening contract liabilities.

The Group’s performance obligation are satisfied upon shipment and payment is generally due by 30 to 180 days

		Year ended 31 March 2023	Year ended 31 March 2022
3.19.2	**Reconciliation of Revenue from sale of goods with the contracted price**		
	Contracted price	55,722.22	49,117.23
	Less: Trade discount, rebates etc	(132.01)	(107.56)
	Net Revenue recognised from contracts with customers	**55,590.21**	**49,009.67**
3.20	**Other Income**		
	Interest Income	31.54	6.53
	Interest received on income tax refund	9.32	11.26
	Dividend income from non current investments	-	0.17
	Net gain on foreign currency translation	-	395.79
	Profit on sale of assets (net)	-	0.45
	Miscellaneous Income	40.94	43.54
		81.80	**457.74**

Miscellaneous income includes rental income and insurance claim received.

		Year ended 31 March 2023	Year ended 31 March 2022
3.21	**Cost of materials consumed**		
	Opening Stock	3,218.33	2,287.26
	Add: Purchases	26,053.86	28,498.32
		29,272.19	**30,785.58**
	Less: Closing Stock	2,361.94	3,218.33
		26,910.25	**27,567.25**
3.22	**Changes in inventories of finished goods, work-in-progress**		
	Opening Stock		
	Finished Goods	2,351.37	1,972.21
	Work-in-progress	3,960.65	4,329.31
		6,312.02	**6,301.52**
	Less:		
	Closing Stock		
	Finished Goods	2,435.70	2,351.37
	Work-in-progress	3,823.18	3,960.65
		6,258.88	**6,312.02**
		53.14	**(10.50)**
3.23	**Employee benefits expense**		
	Salaries and Wages	4,262.86	3,971.82
	Contribution to Provident and Other Funds	446.47	424.18
	Workmen and Staff Welfare Expenses	537.98	489.28
	Less: Transfer to Research & Development expenditure (Refer Note 3.26.1)	(167.72)	(139.68)
		5,079.59	**4,745.60**
3.24	**Finance costs**		
	Interest expense - on bank borrowings	244.87	194.99
	Interest expense - Others	98.70	283.87
		343.57	**478.86**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

		Year ended 31 March 2023	Year ended 31 March 2022
3.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets (Refer Note 3.01)	1,380.22	1,414.52
	Amortisation of intangible assets (Refer Note 3.02)	32.16	22.19
		1,412.38	**1,436.71**
3.26	**Other Expenses**		
	Consumption of Stores, Spares and Consumables	920.36	1,033.02
	Effluent Discharge Charges	138.59	105.93
	Contract labour charges	162.76	160.59
	Packing materials Consumed	425.66	417.56
	Research and Development Expenditure (Refer Note 3.26.1)	206.07	180.92
	Power, Fuel, Water and Gas	5,787.52	5,186.59
	Repairs		
	- Building	203.96	182.93
	- Plant & Machinery	1,115.04	1,070.81
	- Others	467.69	422.34
	Loading, Transportation and Other charges on products	771.22	834.82
	Freight on Exports	631.90	863.39
	Insurance	113.07	109.76
	Rent	57.56	31.53
	Rates and Taxes	441.10	167.41
	Postage and Telephone	42.75	40.28
	Printing & Stationery	16.18	22.64
	Travelling and Conveyance	247.78	133.81
	Director's sitting fee	15.50	13.75
	Payments to the auditor (Refer note 3.26.2)	35.22	27.90
	Advertisement & Publicity	86.97	15.84
	Professional & Consultancy charges	219.47	208.81
	Bank Charges	72.69	57.38
	Expenses on Corporate Social Responsibility activities (Refer note 3.26.3)	75.99	34.92
	Loss on assets sold/Written off (Net)	108.20	0.96
	Security service charges	244.60	244.41
	Provision for impairment on Plant and machinery	-	22.00
	Net loss on cash flow hedges realised	245.37	-
	Miscellaneous Expenses	356.39	331.34
		13,209.62	**11,921.64**
3.26.1	**Details of Research & Development Expenditure**		
	a) Revenue Expenditure charged to statement of profit & loss		
	Salary and Allowances	167.72	139.68
	Other Expenses (Net of recoveries)	38.35	41.24
		206.07	**180.92**
	b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	4.02	16.12
3.26.2	**Payments to the auditors**		
	Statutory Audit Fees	29.21	27.11
	Reimbursement of Expenses	6.01	0.79
		35.22	**27.90**
3.26.3	**Corporate Social Responsibility (CSR)**		
	a. Amount required to be spent by the Company during the year	62.95	34.40
	b. Amount of expenditure incurred on:		
	i. Construction/acquisition of any asset	-	-
	ii. On purposes other than (i) above	75.99	34.92
	c. Shortfall at the end of the year	-	-
	d. Total of previous year shortfalls	-	-
	e. Reason for shortfall	-	-

f. Nature of CSR activities — Healthcare, Education, Community Development

g. Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard — All expenditure is dispersed through K T Chandy Seiichi Nitta Foundation

h. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately — NIL

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.26.4 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 hitherto recognizing Mark to Market ('MTM') gain or loss in other comprehensive income. As a matter of prudence and the future challenges in establishing hedge effectiveness for cash flow hedge, the Group has recognized the MTM loss on outstanding forward foreign exchange contracts amounting to ₹ 63.07 as on 31 March 2023 (31 March 2022: Nil).

3.26.5 Miscellaneous expense include an amount of ₹ 0.07 Lakhs (31 March 2022: ₹ 0.13 Lakhs) made towards political contributions.

		Year ended 31 March 2023	Year ended 31 March 2022
3.27	**Earnings per share (EPS) (basic and diluted)**		
	a) Profit after tax attributable to equity shareholders	**7,031.11**	**3,292.02**
	b) Weighted average number of shares outstanding	9079160	9079160
	c) Nominal value of shares (₹)	10	10
	d) Basic earning per share (₹)	**77.44**	**36.26**
	e) Number of equity shares used to compute diluted earnings per share	9079160	9079160
	f) Diluted earnings per share (₹)	**77.44**	**36.26**

		As at 31 March 2023	As at 31 March 2022
3.28	**Assets pledged as security**		
	The carrying amounts of assets pledged as security for current and non-current borrowings are:		
	Current		
	First charge		
	Financial assets		
	Trade receivables	8,775.41	8,882.91
	Cash and Cash Equivalents	3,022.32	209.29
	Bank balances other than cash and cash equivalents	59.86	95.17
	Other financial assets	122.51	125.85
	Inventories	9,306.12	10,262.20
	Other current assets	824.82	858.75
	Total current assets pledged as securities	**22,111.04**	**20,434.17**
	Non-current		
	First charge		
	Property, plant and equipment (PPE) and capital work-in-progress	11,954.41	11,373.64
	Total non-current assets pledged as securities	**11,954.41**	**11,373.64**
	Total assets pledged as security	**34,065.45**	**31,807.81**

3.29 **Segment Information**

The Group 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. Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sales by Products	55,590.21	49,009.67
	55,590.21	**49,009.67**

(ii) Revenues from external customers attributed to the Group's country of domicile and attributed to all foreign countries from which the Group derives revenues:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	30,082.41	23,176.99
Outside India	25,507.80	25,832.68
	55,590.21	**49,009.67**

(iii) Non-current assets (other than financial instruments, non current tax and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Group holds assets:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	13,266.31	12,337.65
Outside India	-	-
	13,266.31	**12,337.65**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.29 Segment Information *(cont'd)*

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Group's revenues from product sale:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from top customer	13,360.98	16,346.70
Revenue from customers contributing 10% or more to the Group's revenues from product sale	24,641.25	25,190.00

3.30 Provisions, Contingent Liabilities and Commitments

3.30.1 Provisions

Nature of Provision	Balance as at 01.04.2022	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	Balance as at 31.03.2023
Provision for Central Excise Duty.	132.29	-	-	-	132.29
(Refer note 3.30.1(i))	(132.29)	-	-	-	(132.29)
Provision for Central Sales Tax	28.74	-	28.74	-	0.00
(Refer note 3.30.1(ii))	(28.74)	-	-	-	(28.74)
Provision for Water Cess	61.83	-	-	-	61.83
(Refer note 3.30.2(iv))	(61.83)	-	-	-	(61.83)

(Figures in brackets represents corresponding figure for the previous financial year)

3.30.1(i) Central Excise authorities issued show cause notices proposing to withdraw CENVAT credit availed by the Holding Company on Hydrochloric Acid used in the manufacture of Ossein consumed for Gelatin production amounting to ₹ 350.75 Lakhs (31 March 2022: ₹ 350.75 Lakhs) which was disputed by the Company. Though no demand was raised by the department, based on legal advice received, the Company created a provision of ₹132.29 Lakhs (31 March 2022: ₹132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2022: ₹ 218.45 Lakhs) is disclosed as a contingent liability.

3.30.1(ii) The Central Sales Tax authorities raised demand on assessment for an earlier year amounting to ₹ 28.74 Lakhs (31 March 2022: ₹ 28.74 Lakhs) which was disputed in appeal. During the year, based on the conclusion of appellate procedings , the company has settled the Sales tax demands based on appellate orders and has reversed the provision created accordingly.

3.30.2 Contingent Liabilities not provided for:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1. Claims against the Company not acknowledged as debts:		
a. Income Tax (Refer note 3.30.2(i))	167.61	167.61
b. Sales Tax (Refer note 3.30.2(ii))	12.00	754.58
c. Excise Duty (Refer note 3.30.1(i) and note 3.30.2(iii)	434.18	303.88
e. Customs Duty (Refer note 3.30.3)	1,968.36	1,968.36
2. Counter Guarantee issued in favour of bankers	184.00	74.03
	2,766.15	**3,268.46**

3.30.2(i) The Income tax authorities has made certain disallowances on assessments completed for earlier years, which are pending on appeal before the appellate authority. In the opinion of the management no provision is considered necessary for the same at this stage.

The Holding Company has received tax orders from the Income tax authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 930.16 Lakhs (31 March 2022: ₹ 930.16 Lakhs), primarily on denial of certain expenditure upon completion of tax assessment for the assessment years 2006-07, 2007-08, 2008-09, 2012-13, 2013-14, 2014-15 and 2015-16. There is no tax demand on account of the above. The Holding Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. Further, the Holding Company has received tax orders from the transfer pricing authorities reducing brought forward losses (including unabsorbed depreciation) amounting to ₹ 512.07 Lakhs (31 March 2022: ₹ 512.07 Lakhs), primarily on transfer pricing adjustments upon completion of tax assessment for assessment years 2006-07, 2007-08 and 2008-09. There is no tax demand on account of the above. The Holding Company's appeal against the said demands are pending before appellate authorities in various stages of litigation. The Holding Company is contesting these litigations and the management believes that its position will be likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently no provision has been created in the financial statements for the above.

3.30.2(ii) The sales tax authorities had raised demands on assessment for some earlier years amounting to ₹ 754.58 Lakhs (31 March 2022: ₹ 754.58 Lakhs) (net of bank guarantees), excluding interest on demand not quantified by the management, which had been disputed by the Holding Company on appeal. During the year, based on the conclusion of appellate procedings, the Holding Company has settled the Sales tax demands based on appellate orders and has reduced the Contingent liability amount to ₹ 12 Lakhs.

3.30.2(iii) Includes demands raised by the Central Excise Authorities (including penalty thereon but excluding interest) for higher excise duties on a product of the Holding Company and towards cenvat credits availed aggregating to ₹ 7.21 Lakhs (31 March 2022: ₹ 7.21 Lakhs) which have been disputed by the Holding Company before the appellate authorities; and show cause notices received from such authorities for

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

service tax on certain deemed services and ineligible cenvat credit availed aggregating to ₹ 85.39 Lakhs (31 March 2022: ₹ 78.22 Lakhs), which have been represented before adjudicating authorities and demand raised by the central excise for disputed cenvat credit amounts amounting to ₹ 123.13 Lakhs (31 March 2022: Nil). In the opinion of the management these demands/ show cause notices issued are not sustainable, so no provision is considered at this stage.

3.30.2(iv) During an earlier year, an amount of ₹ 714.84 Lakhs was demanded as water cess for extraction of river water for industrial use during the period from 01 April 1979 to 31 December 2010, in accordance with a Government Order issued on 25 July 2009. During the year Company's writ petition was allowed by the Honorable High Court of Kerala, by observing that Article 265 of the Constitution of India provide that no tax shall be levied or collected except by the authority of law, tax, duty, cess or fee levied by the State Government to raise revenue. This power could be exercised only under any law authorising levy and collection of tax as envisaged under Article 265.

A provision of ₹ 61.83 Lakhs towards disputed charges for the period from 25 July 2009 to 31 December 2010, being periods subsequent to issue of the Government order, was made in the accounts in an earlier year as a matter of prudence.

3.30.3 The customs authorities have issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which has been objected by the Holdin Company. During an earlier the year, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1091.21 Lakhs. The Holding Company has filed appeal before the appellate authorities which is pending for disposal at this stage. As per the independent legal advice, the proposal of the department is legally incorrect and the matter has not reached finality as the appellate proceedings are pending for adjudication and hence no provision is considered necessary at this stage.

3.31 Commitments

3.31.1 Estimated amount of contracts remaining to be executed on capital account ₹ 468.47 Lakhs (31 March 2022: ₹ 441.84 Lakhs)

3.31.2 In respect of raw materials imported during the financial year 2016-17 at concessional rate of duty under the Advance Authorisation Scheme, the Holding Company has fulfilled the export obligation which is required to be fulfilled as per the Licensing Norms and has settled the differential duty along with Interest for the portion of raw material which is used for domestic market requirements. However for certain portion of the material exported, the advance license number was not endorsed in the shipping bill due to oversight. The Holding Company is in the process of getting the endorsement effected by Customs Department for the exports so effected. The Holding Company's, application for endorsement of Advance Authorisation Number in the shipping bill for exports is pending for disposal before the Customs Authorities at this stage. Since the Holding Company's dispute on classification/reassessment of the raw material is pending for adjudication before the Appellate Tribunal and based on the legal advice received, the Holding Company is hopeful of a favourable decision. During the financial year, the Holding Company has imported raw materials against anticipated exports under Advance Authorisation Scheme under imports. But the Holding Company is now facing challenges to meet the export obligation against the accumulated inventory due to slump in demand in the export market for the finished product. As on 31 March 2023 the Holding Company has created a provision of ₹ 68.28 (31 March 2022 - ₹ 68.28 Lakhs) towards the duty along with applicable interest on the same as a matter of prudence.

3.32.1 In addition to 3.31 above, the Holding Company has export obligation of ₹ 3137 Lakhs (31 March 2022: ₹ 7,886.80 Lakhs) on account of advance Authorisation Scheme and ₹ 149.00 Lakhs (31 March 2022: ₹ 135.18 Lakhs) under the Export Promotion Capital Goods (EPCG) laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

3.33 In the opinion of the management, Current financial assets and Other current assets, have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

3.34 Leases

Rental expense recorded for short-term leases during the year ended 31 March 2023 is ₹ 57.56 Lakhs (31 March 2022: ₹ 31.53 Lakhs).

The Company's significant leasing arrangements, other than land, are in respect of office premises and warehouses taken on lease for which rent expenses has been charged to profit and loss. The arrangements generally range between 4 months to 11 months and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given.

The Group's lease asset classes consist of leases for land, refer note 3.01 to the financial statements. The Group has not entered into any other material lease arrangements.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.35 Income Tax

The major components of income tax expense are:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Current income tax:		
Current income tax charge	2,875.76	1,490.63
Income Tax Relating to earlier years*	8.88	-
Relating to the origination and reversal of temporary differences	(367.87)	(59.49)
Income tax expense reported in Statement of Profit and Loss	**2,516.77**	**1,431.14**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	5.18	(54.02)
Income tax relating to measurement of financial assets through OCI	0.24	1.14
Income tax relating to gain on cash flow hedges	(4.69)	(44.38)
	0.73	**(97.26)**

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Reconciliation of deferred tax (net)		
Opening balance	466.13	132.93
Tax credit/ (expense) during the year recognized in statement of profit and loss	(367.87)	(59.51)
Tax expense during the year recognised in OCI	0.73	(97.26)
MAT credit utilisation	-	489.97
Closing balance	**98.98**	**466.13**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax and exceptional item	**9,906.76**	**4,915.84**
Tax on accounting profit at statutory income tax rates	2,493.53	1,431.49
Tax Effect of:		
Non deductible expenses	64.85	9.81
Tax incentives and exempt income	(118.93)	(51.01)
Income tax relating to earlier years	8.88	-
Tax effect on eligible deductions	(76.39)	-
Tax effect of change in tax rates	22.96	-
Others	121.87	40.85
Tax expense recognised in the Statement of profit and loss	**2,516.77**	**1,431.14**

3.36 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

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. Kerala State Industrial Development Corporation - Enterprise having substantial interest in the Holding Company
vi. **Key Managerial Personnel**

1. In case of Holding Company

Philip Chacko M - Managing Director
Dr. Shinya Takahashi - Whole-time Director

2. In case of Subsidiary

Mr. George K.A. - Chief Executive

3. Non Executive Directors

Mr. APM Mohammed Hanish IAS
Mr. S Harikishore IAS
Mr. Sajiv K. Menon

4. Independent Directors:

Dr. M.K.C. Nair
Mr. V. Ranganathan
Mr. E. Nandakumar
Mrs. Radha Unni
Dr. Justice M. Jaichandren (Retd.)
Mr.Yoichiro Sakuma

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

B. Detail of transactions

Nature of Transaction	Enterprise having substantial interest in the Holding Company and its Subsidiaries/ Trust controlled by the Holding Company		Key Management Personnel		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sale and Income						
1 Sale of Goods						
Nitta Gelatin Inc	13,360.98	16,346.99	-	-	13,360.98	16,346.99
Nitta Gelatin NA Inc	7,828.24	6,950.71	-	-	7,828.24	6,950.71
Purchase and Expenses						
1 Purchase of Goods:						
Nitta Gelatin Inc		428.59			-	428.59
2 Commission expense:						
Nitta Gelatin Inc						
- For Sale of Gelatin	27.87	15.99	-	-	27.87	15.99
- For Sale of Peptide	0.51	2.97	-	-	0.51	2.97
3 Technical Assistance Fee:						
Nitta Gelatin Inc	18.08	19.76	-	-	18.08	19.76
4 Interest expense on External Commercial Borrowings						
Nitta Gelatin Inc	21.49	38.15	-	-	21.49	38.15
5 Interest expense on loans						
Kerala State Industrial Development Corporation	-	12.45			-	12.45
6 Reimbursement of Expenses (Net):						
Nitta Gelatin Inc	7.14	11.31	-	-	7.14	11.31
7 Donations/Corporate Social Responsibility contribution						
K.T.Chandy Seiichi Nitta Foundation(Refer note 3.29.3)	58.02	34.92	-	-	58.02	34.92
8 Remuneration (refer note (a) below)						
Mr. Sajiv K. Menon	-	-	-	181.80	-	181.80
Mr. Philip Chacko M	-	-	164.93		164.93	-
Dr. Shinya Takahashi	-	-	24.47	24.43	24.47	24.43
Mr. George K.A.	-	-	25.29	21.39	25.29	21.39
9 Sitting fees						
Dr. K. Ellangovan - Non Executive Director (Till 5 February 2022)	-	-	-	0.50	-	0.50
Mr. V. Ranganathan - Independent Director	-	-	2.75	2.25	2.75	2.25
Mr. S. Harikishore IAS	-	-	0.25	0.50	0.25	0.50
Mr. Sajiv K Menon - Non Executive Director	-	-	1.25	-	1.25	-
Mr. E. Nandakumar - Independent Director	-	-	2.50	3.00	2.50	3.00
Mrs.Radha Unni - Independent Director	-	-	2.75	3.50	2.75	3.50
Dr. Justice M. Jaichandren - Independent Director	-	-	2.00	2.00	2.00	2.00
Mr. Rajamanickam IAS	-		0.25	-	0.25	-
Mr. APM Mohammad Hanish IAS			1.25		1.25	-
Dr. M.K.C. Nair - Independent Director			1.50		1.50	-
Mr.Yoichiro Sakuma - Independent Director	-	-	1.00	2.00	1.00	2.00
10 Dividend paid on equity shares						
Nitta Gelatin Inc	257.26	154.51	-	-	257.26	154.51
Kerala State Industrial Development Corporation	114.49	85.87	-	-	114.49	85.87
11 Dividend on preference shares						
Nitta Gelatin Inc	220.62	119.37	-	-	220.62	119.37

Notes:

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.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.36 Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures *(cont'd)*

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 Holding Company		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Receivables				
- Nitta Gelatin Inc	1,959.04	2,971.78	1,959.04	2,971.78
- Nitta Gelatin NA Inc	2,577.73	2,637.23	2,577.73	2,637.23
Payables				
- Nitta Gelatin Inc				
Term loan	-	462.06	-	462.06
Other payables	42.85	29.68	42.85	29.68
- Nitta Gelatin NA Inc				
Other payables	27.94	-	27.94	-

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 the 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 2023. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, the financial statements do not include the effect of the transfer pricing implications, if any.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.37 A. Defined benefit plan

The Group has gratuity fund for its employees. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2023 and 31 March 2022 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	1,330.56	1,320.45
Fair value of plan assets as at the end of the year	(1,259.67)	(1,052.13)
Net liability recognized in the Balance Sheet	**70.89**	**268.32**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	1,320.45	1,074.49
Service cost	77.13	77.22
Interest cost	94.60	68.76
Actuarial losses/(gains) arising from	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(35.42)	185.22
- experience variance (i.e. Actual experiences assumptions)	-	-
Benefits paid	(126.20)	(85.24)
Defined benefit obligation as at the end of the year	**1,330.56**	**1,320.45**
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	1,052.13	894.58
Return on plan assets	71.80	63.14
Actuarial (losses)/gains	(2.29)	(0.92)
Contributions	252.45	180.57
Benefits paid	(114.42)	(85.24)
Fair value as at the end of the year	**1,259.67**	**1,052.13**
Description of Plan Assets		
Insurer Managed Funds (LIC of India)	1,259.67	1,052.13
Assumptions used in the above valuations are as under:		
Discount rate	7.50%	7.51%
Salary increase	5.51%	5.84%
Superannuation age	58	58
Attrition rate	4%	4%
Mortality	Indian Assured Lives Mortality[1994-96] Ultimate	
4 Net gratuity cost for the year ended 31 March 2023 and 31 March 2022 comprises of following components.		
Service cost	77.13	77.22
Net interest cost on the net defined benefit liability	10.25	5.62
Net defined benefit expense debited to statement of profit and loss	**87.38**	**82.84**
5 Remeasurement (gain)/loss recognised in other comprehensive income		
Change in financial assumptions	20.58	(186.14)
Experience variance (i.e. actual experience vs assumptions)	-	-
Return on plan assets, excluding amount recognized in net interest expense		
Change in demographic assumptions	-	-
Components of defined benefit costs recognized in other comprehensive income	**20.58**	**(186.14)**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.37 B. Defined contribution plan

The Group provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised ₹ 359.10 Lakhs (31 March 2022: ₹ 330.71 Lakhs) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the Schemes.

C. Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit which are as follows:

Interest Rate Risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets exposing the Group to market risks for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Gratuity

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	(94.12)	107.87	(95.72)	110.22
Salary Growth Rate (- / + 1%)	104.54	(94.88)	107.52	(96.26)
Attrition rate (- / + 1%)	4.72	(5.14)	0.72	(1.67)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

3.38 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	3.03	-	-	100.84
Cash and cash equivalents	3.09	3,022.32	-	-
Bank balances other than cash and cash equivalents	3.10	59.86	-	-
Trade receivable	3.08	8,775.41	-	-
Loans	3.04	9.86	-	-
Other financial assets	3.05			-
Security Deposits		443.73	-	-
Advances recoverable in cash or in kind		97.78	-	-
Others		67.61	-	-
Total		**12,476.57**	**-**	**100.84**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.38 Fair value measurements *(cont'd)*

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Liabilities:				
Borrowings	3.13	3,922.60	-	-
Trade payable	3.15	2,872.59	-	-
Other financial liabilities	3.16			
Unpaid Dividend		17.40	-	-
Hedge liability(Foreign exchange forward contract)		63	-	-
Employee related liabilities		508.31	-	-
Creditors for capital goods		37.43	-	-
Others		8.72	-	-
Total		**7,430.12**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	3.03	-	-	99.68
Cash and cash equivalents	3.09	209.29	-	-
Bank balances other than cash and cash equivalents	3.10	95.17	-	-
Trade receivable	3.08	8,882.91	-	-
Loans	3.04	9.86	-	-
Other financial assets	3.05			
Security Deposits		403.11	-	-
Advances recoverable in cash or in kind		72.88	-	-
Hedge asset		-	34.66	-
Others		44.13	-	-
Total		**9,717.35**	**34.66**	**99.68**
Liabilities:				
Borrowings	3.13	8,614.74	-	-
Trade payable	3.15	2,084.35	-	-
Other financial liabilities	3.16			
Unpaid Dividend		15.91	-	-
Employee related liabilities		408.65		
Others		3.05	-	-
Total		**11,126.70**	**-**	**-**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and working capital loans approximate the carrying amount largely due to short-term maturity of this instruments.
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(ii) Fair value of financial assets and liabilities measured at amortised cost
The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

(iii)Fair value hierarchy
Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.38 Fair value measurements *(cont'd)*

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	21.94	-	100.84	122.78
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	-	-	-

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments	3.03	20.78	-	78.90	99.68
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	34.66	-	34.66

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by banks for revaluation of balance in forward contracts as on the reporting dates.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.
- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

3.39 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The primary market risk to the Group is foreign exchange exposure risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group's risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2023	As at 31 March 2022
Trade receivable	8,775.41	8,882.91
Loans to employees	9.86	6.69
Security deposit	443.73	403.11
Balance with bank-Deposit Accounts	-	11.04
Earmarked balances with banks for unpaid dividend	44.28	15.91
Advances recoverable in cash or in kind	97.78	72.88
Hedge asset	-	34.66
Investments	100.84	99.68
Cash and Cash Equivalents	3,022.32	209.29
Other bank balances	59.86	95.17
Others	23.33	17.18
Total	**12,577.41**	**9,848.52**

A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, USA, Japan and Europe. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances. At the reporting date, trade receivable balance from three customer represented 60 % (2022 - 72 %) of the total trade receivable balances, respectively.On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group's historical experience for customers.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.39 Financial risk management *(cont'd)*

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	33.05	33.05
Impairment loss recognised		
Impairment loss reversed	-	-
Balance at the end	**33.05**	**33.05**

As at 31 March 2023
Expected Credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	8,332.25	469.83	1.48	-	*	4.90
Expected Loss Rate	0.03%	0.52%	39.19%	78.75%	100%	100%
Expected Credit Loss (Loss allowance)	25.13	2.44	0.58	-	-	4.90
Carrying Amount of Trade Receivables (net of impairment)	8,307.12	467.39	0.90	-	-	-

As at 31 March 2022
Expected Credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 Days	90-180 days	180-270 days	270-360 days	More than 360 days
Gross Carrying Amount	8,148.62	760.60	2.11	-	-	4.90
Expected Loss Rate	0.18%	1.19%	39.38%	78.75%	100%	100%
Expected Credit Loss (Loss allowance)	18.53	9.06	0.83	-	-	4.90
Carrying Amount of Trade Receivables (net of impairment)	8,130.09	751.54	1.28	-	-	-

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 March 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.39 Financial risk management *(cont'd)*

Maturities of financial liabilities

As at 31 March 2023	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	3,237.16	685.44	-	3,922.60
Trade payable	2,872.59	-	-	2,872.59
Other financial liabilities	634.93	-	-	634.93
Total	**6,744.68**	**685.44**	**-**	**7,430.12**

As at 31 March 2022	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Borrowings	7,938.88	675.86	-	8,614.74
Trade payable	2,084.35	-	-	2,084.35
Other Financial liabilities	427.61	-	-	427.61
Total	**10,450.84**	**675.86**	**-**	**11,126.70**

(C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

Foreign exchange risk

The Group operates internationally and a significant portion of the business is transacted in USD, JPY and EURO currencies and consequently the Group is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Group and unhedged foreign currency exposures.

Particulars		**As at 31 March 2023**		**As at 31 March 2022**	
Included In	**Currency**	**Amount in foreign currency**	**Amount in ₹ Lakhs**	**Amount in foreign currency**	**Amount in ₹ Lakhs**
Financial assets					
Trade receivables	USD	56.65	4,625.90	77.01	5,791.67
	EURO	4.08	360.70	0.07	6.22
Financial liabilities					
Trade payables	USD	1.23	101.41	0.42	31.72
	Japanese YEN	13.84	8.65	13.50	8.46
Non Current Borrowings	USD	4.26	352.05	-	-
Current Borrowings	USD	13.59	1,122.23	39.65	3,019.47
	YEN	2,359.77	1,474.86		

Conversion rates	**Financial Assets**		**Financial Liabilities**	
	USD	**EUR**	**USD**	**JPY**
As at 31 March 2023	81.65	90.68	82.57	0.625
As at 31 March 2022	75.21	88.86	76.16	0.630

Sensitivity

The following table details the Group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.39 Financial risk management *(cont'd)*

Particulars	Increase 31 March 2023	Decrease 31 March 2023	Increase 31 March 2022	Decrease 31 March 2022
Sensitivity				
INR/USD	34.15	(34.15)	27.78	(27.78)
INR/EURO	3.70	(3.70)	0.06	(0.06)
INR/YEN	(0.09)	0.09	0.09	(0.09)

Impact on other components of equity	Increase 31 March 2023	Decrease 31 March 2023	Increase 31 March 2022	Decrease 31 March 2022
Sensitivity				
INR/USD	(161.93)	161.93	(129.87)	129.87

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2023	31 March 2022
Forward Contracts		
In USD(Lakhs)	145.80	191.25

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	31 March 2023	31 March 2022
Not later than one month	16.60	15.50
Later than one month and not later than three months	35.20	34.50
Later than three months and not later a year	94.00	141.25

a Disclosure of effects of hedge accounting on financial position

31 March 2023 Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	11,904.57	0	April 2023-September 2024	1 USD = 82.548 INR	(18.48)	-

31 March 2022 Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
Cash flow hedge						
Foreign exchange forward contracts	14,384	34.66	April 2022-March 2023	1 USD = 77.436 INR	(154.00)	-

b Disclosure of effects of hedge accounting on financial performance

31 March 2023 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(16.58)	(82.23)	-	-

31 March 2022 Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(154.00)	-	-	Not applicable

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.39 Financial risk management *(cont'd)*

C2 Interest rate risk

(i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Groups' investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Variable rate borrowing	846.43	2,751.15
Fixed rate borrowing	-	-
Total borrowings	**846.43**	**2,751.15**
Amount disclosed under borrowings		
- Current borrowings	160.99	2,075.29
- Non current borrowings	685.44	675.86

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	**31 March 2022**	**31 March 2021**
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	8.46	27.51
Interest rates – decrease by 100 basis points (100 bps)	(8.46)	(27.51)

(ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C3 Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in listed and unlisted equity securities are not significant.

3.40 Capital management

For the purpose of the Group's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

Particulars	**31 March 2023**	**31 March 2022**
Long term borrowings	685.44	675.86
Current maturities of long term borrowings	150.00	2,075.29
Short term borrowings	3,087.16	5,863.59
Trade payables	2,872.59	2,084.35
Less: Cash and cash equivalents	(3,022.32)	(209.29)
Less: Bank balances other than cash and cash equivalents	(59.86)	(95.17)
Net debt	**3,713.01**	**10,394.63**
Equity	907.92	907.92
Other Equity	25,852.74	19,179.49
Capital and net debt	**30,473.67**	**30,482.04**
Gearing ratio	**12.18%**	**34.10%**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.41 Disclosure of Additional Information pertaining to the Parent Company and Subsidiary as per Schedule III of the Companies Act, 2013

31 March 2023:

Name of the Company	Net assets (total assets - total liabilities)		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent Company -								
Nitta Gelatin India Limited	87.38%	23,994	80%	5,876	211.0%	9.35	80%	5,886
Subsidiary company - Indian								
Bamni Proteins Limited	14.45%	3,967	28%	2,033	-111.0%	(4.92)	27%	2,028
Total		**27,961**		**7,909**		**4.43**		**7,914**
Consolidation adjustments	-2%	(500)	-7%	(519)	0%	-	-7%	(520)
Total	**100%**	**27,461**	**100%**	**7,390**	**100%**	**4.43**	**100%**	**7,394**
Minority Interests in subsidiary	3%	700	5%	358.9	-20%	(0.87)	5%	358

31 March 2022:

Name of the Company	Net assets (total assets - total liabilities)		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent Company -								
Nitta Gelatin India Limited	90%	18,472	76%	2,660	95%	(226)	75%	2,434
Subsidiary company - Indian								
Bamni Proteins Limited	12%	2,512	31%	1,092	5%	(11)	33%	1,080
Total		**20,984**		**3,752**		**(237)**		**3,514**
Consolidation adjustments	-2%	(453)	-8%	(267)	0%	-	-8%	(267)
Total	**100%**	**20,531**	**100%**	**3,485**	**100%**	**(237)**	**100%**	**3,248**
Minority Interests in subsidiary	2%	443	6%	193	1%	(2)	6%	191

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.42 Business Combination

Pursuant to the Scheme of Merger and Amalgamation (the "Scheme") under Section 230-232 of the Companies Act, 2013 , duly approved by the Hon'ble National Company Law Tribunal, Chennai Bench by the Order dated 27th March 2019, erstwhile subsidiary company, M/S. Reva Proteins Limited (the "Transferor Company") was merged with the Company with effect from 1st April 2017. Accordingly, all the assets and liabilities of the Transferor Company were transferred to and vested in the Company, on a going concern basis with effect from the appointed date (1 April 2017). During the previous year, the title deeds of Leasehold and Freehold Land which was in the name of erstwhile M/S. Reva Proteins Limited has been transferred in the name Nitta Gelatin India Limited (Company).

3.43 Events after the Balance sheet date

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.

3.44 Disclosure pursuant to Securities (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act read with the Companies (Meeting of Board and its powers)rules 2014 are as follows;-

i) Details of investments are given in note 3.03.
ii) Details of loans given - Nil
iii) Details of guarantees given - Nil

3.45 The management identified an employee who is suspected to have colluded with vendors and manipulated certain weighment 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 weighment 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, weighment and payment for purchase of raw materials.

3.46 a) As per the information available with the Group, the Group has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

b) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

c) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall

1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries).

2) provide any guarantee, security or the like on behalf of the ultimate beneficiaries. Group has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

ii) provided any guarantee, security or the like on behalf of the ultimate beneficiaries.

d) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2023.

e) The title deeds of all the immovable properties held by the Company disclosed in the financial statements are held in the name of the Group.

f) The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

g) The Group has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

h) No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.46.1 Details of differences between stock statements submited to Banks and books of accounts of Holding Company

Name of Bank	Quarter	Particulars	Amount as per Submitted Stock Statements	As per Books of Accounts	Difference	Remarks
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Apr-Jun-2022	Inventory (net of trade payables)	8,076.43	7,520.54	555.89	Refer Note below#
	Apr-Jun-2022	Trade receivables	7,468.97	7,294.17	174.8	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	July-Sep-2022	Inventory (net of trade payables)	7,918.12	7,534.31	383.81	Refer Note below#
	July-Sep-2022	Trade receivables	7,798.13	7,796.92	1.21	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Oct-Dec-2022	Inventory (net of trade payables)	8,631.94	8,331.42	300.52	Refer Note below#
	Oct-Dec-2022	Trade receivables	8,419.79	8,380.23	39.56	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Jan-Mar-2023	Inventory (net of trade payables)	7,972.70	7,166.51	806.19	Refer Note below#
	Jan-Mar-2023	Trade receivables	7,759.16	7,805.00	(45.84)	

The difference is due to being the stock statements submitted to Banks were on provisional basis before closure of monthly accounts.

3.46.2 Details of differences between stock statements submited to Banks and books of accounts of Subsidiary Company

Name of Bank	Quarter	Particulars of Securities Provided	Amount as per quarterly stock statements submitted to bank	Amount as per Books of Accounts	Difference	Remarks
Standard Chartered Bank	Jun-22	Inventory (net of trade payables)	653.01	526.47	126.54	Refer Note below#
		Trade Receivables	1,222.87	1,790.72	(567.85)	
Standard Chartered Bank	Sep-22	Inventory (net of trade payables)	739.83	549.23	190.60	Refer Note below#
		Trade Receivables	1,276.73	1,487.38	(210.65)	
Standard Chartered Bank	Dec-22	Inventory (net of trade payables)	609.43	468.72	140.71	Refer Note below#
		Trade Receivables	955	1,366.46	(411.46)	
Standard Chartered Bank	Mar-23	Inventory (net of trade payables)	777.40	622.31	155.09	Refer Note below#
		Trade Receivables	921.53	1,276.28	(354.75)	

The difference is due to being the stock statements submitted to Banks were on provisional basis before closure of monthly accounts

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2023 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

3.47 The Group has not been declared as a wilful defaulter by any bank or financial Institution or other lender during the period.

3.48 The Group does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.

3.49 In accordance with National Highways Authority of India's ("NHAI") 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 NHAI. 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.

3.50 Prior year comparatives have been regrouped/reclassified where necessary to conform with the current period/year classification. The impact of such restatements/ regroupings are not material to the consolidated financial statements.

This is the summary of accounting policies and other explanatory information referred to in our report of even date.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 8 May 2023

For and on behalf of the Board of Directors of
Nitta Gelatin India Limited

Philip Chacko M
Managing Director
DIN : 01219764

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited

THE GARDEN FACTORY
(OSSEIN DIVISION)