

## NOTICE TO MEMBERS

**NOTICE IS HEREBY GIVEN** that the 43rd Annual General Meeting of M/s. Nitta Gelatin India Limited will be held on Friday, the 02nd Day of August, 2019 at 12.00 noon at Fine Arts Hall, Pallimukku, Cochin- 682 016 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, 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 2019, 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. absorbing an amount of Rs. 85,36,584.00 (excluding Dividend Tax).
3. To declare Dividend on Equity Shares.
4. 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. 5- APPOINTMENT OF MR. E. NANDAKUMAR (DIN: 01802428)-INDEPENDENT DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. E. Nandakumar (DIN:01802428) who was appointed as an Additional Director categorized

as an Independent Director on 29.10.2018 pursuant to provisions of Section 161(1) of The Act and the Articles of Association of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from Mr. E. Nandakumar himself signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from the date of passing of this resolution, and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.

#### **ITEM NO. 6- APPOINTMENT OF MR. YOICHIRO SAKUMA (DIN:08237722)-INDEPENDENT DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Yoichiro Sakuma (DIN: 08237722) who was appointed as an Additional Director categorized as an Independent Director on 29.10.2018 pursuant to provisions of Section 161 (1) of The Act and the Articles of Association of the Company and who holds office up to the conclusion of the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from Mr. Yoichiro Sakuma himself signifying his candidature as the Independent Director, be and is hereby appointed as such Independent Director of the Company, to hold office for a term of five consecutive years from the date of passing of this resolution, and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.

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

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

**“RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 121(1) of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Dr. Shinya Takahashi (DIN: 07809828), as a Whole time Director designated as Director (Technical) of the Company for a period of two years with effect from 06.05.2019 on the wake of inadequacy of profits for the FY 2018-19 on the following terms and conditions:-

1.	Basic Pay	:	Rs. 1,35,000/- per month
2.	Designation	:	Director (Technical)
3.	Location of work	:	Nitta Gelatin India Limited Post Box. 4262, 54/1446, SBT Avenue Panampilly Nagar, Kochi - 682036, India.
4.	Period of appointment	:	Two years from 06.05.2019
5.	Housing	:	He shall be eligible for House Rent Allowance @50% of Basic Pay per month.
6.	Medical Benefits	:	Reimbursement of actual medical expenses incurred for self and family subject to an yearly ceiling of Rs. 15,000/-Unveiled medical benefit for any year shall be allowed to be carried forward to the next year.
7.	Leave Travel Concession	:	Return passage for self and family once in a year by air by Economy Class, to and from his place of residence in Japan.
8.	Personal Accident Insurance	:	Shall be covered under a personal accident insurance policy at an annual premium not to exceed 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 and internet facility will be provided at residence.
11.	Income tax liability arising out of the above will have to be borne by the employee.		
12.	Reporting Relationship	:	Director (Technical) shall functionally report to the Managing Director.
13.	Minimum Remuneration	:	In the event of loss or inadequacy of profits in any financial year, the Director (Technical) shall be paid remuneration by way of salary and perquisites as specified above.

**“RESOLVED FURTHER THAT** the Board of Directors be and is here by authorised to decided on all such other

acts and steps as might be required for effecting and regularizing such appointment and remuneration”.

**ITEM NO. 8- PAYMENT OF REMUNERATION TO MR. SAJIV K.MENON (DIN: 00168228) MANAGING DIRECTOR, ON THE WAKE OF INADEQUACY OF PROFIT FOR THE FINANCIAL YEAR**

To consider and if thought fit, to pass the following Resolution with or without modification, as a **SPECIAL 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 payment of remuneration to Mr. Sajiv. K. Menon (DIN: 00168228), Managing Director, during the financial year 2019-20 as were approved by the shareholders at the Annual General Meeting held in the year 2017 at the time of his re-appointment as Managing Director of the Company, on the wake of inadequacy of profit during the financial year 2018-19, more specifically detailed as here-in-below:-

1. Basic Pay

Basic pay will be Rs. 3,32,750/- per month as on 1.4.2017 with an annual increment of 10% of the Basic pay.

(A 10% increase on the then basic pay of Rs. 3,02,500/-)

2. Housing

House Rent Allowance @50% of Basic Pay will be paid per month.

3. Personal Allowance \*

Personal Allowance payable will be Rs. 3,75,317/-per month.

4. Incentive \*

The maximum incentive payable will be Rs. 3,32,750/-per month and minimum Rs. 1,33,100/- per month as per the calculations laid before the then meeting of shareholders and approved.

5. Leave Travel Concession \*

The Leave Travel Concession payable shall not exceed Rs. 5,32,400/- per annum.

6. Furnishing, Gas, Electricity and Water

Reimbursement of actual expenses incurred on Gas, Electricity, Water and Furnishing subject to a yearly ceiling of 20% of Basic Pay.

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 Rs.12,000/- to the Company.

9. Leave and Leave Encashment

As per rules applicable to management staff of the Company.

10. Entertainment Allowance

Entertainment allowance @ 10% of Basic Pay will be paid per month.

11. Provident Fund

Company's contribution to the Provident Fund at rates as per Company's rules (currently 12% of Basic Pay).

12. Gratuity

15 days' salary at the last drawn Basic Pay for every completed year of service.

13. Car

Free use of Company car with driver for official use. Use of car for personal purposes will be billed for.

14. Telephone

Free telephone, internet and fax facility will be provided at residence.

15. Club Membership

Membership fee of any two clubs will be reimbursed. No admission or life membership fees will be paid.

16. 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.

17. Period of Appointment

Period of appointment will be for three years with effect from 1st April, 2017.

18. 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.

\*Indexed to the proposed basic in the same percentage as fixed in the previous contract. Other components are in line with the existing contract. These compensation components would remain unchanged during the tenure of the contract.

#### **ITEM NO. 9- APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION 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 the Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and read with Regulation 23(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company by way of an Ordinary resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board which term shall be deemed to include any Committee which the Board may constitute for the purpose) for execution of contracts by the Company with Nitta Gelatin Inc, Japan, and Nitta Gelatin NA Inc., USA, Bamni Proteins Ltd. with whom the Company has common directorship to sell, purchase, 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, things, deeds, matters, and thing that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

By Order of the Board,

Kochi  
09.05.2019

G. Rajesh Kurup  
Company Secretary  
M.No: A8453

#### **NOTES:**

1. The Explanatory 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. **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.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.
3. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed herewith.
4. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 27th July, 2019 to 2nd August, 2019 (both days inclusive) to determine the members, entitled to receive dividend which will be declared at the Annual General Meeting.
5. The dividend, if declared at the meeting will be paid on or after 10th August, 2019 to those Shareholders whose names appear on the Register of Members as on Record date.
6. Members holding shares in the same name or same order under different ledger folios are requested to apply for clubbing into one folio.
7. 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 demated shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/default.

8. The Company has appointed Cameo Corporate Services Limited, "Subramanian Building, 1, Club House Road, Chennai-600 002, as the Registrar and Share Transfer Agent of the Company to deal with the physical as well as electronic share registry.
9. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents at their address as given above in the case of physical holdings and to their respective Depository Participant in case of demated shares.
10. Members may kindly update their email address with the Company/ Registrar Cameo Corporate Services such that correspondence reach you without fail.
11. Members are requested to furnish details of their nominee in the nomination form that can be obtained from the Company on request.
12. 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.
13. 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.
14. Members attending the Annual General Meeting are requested to bring with them the ATTENDANCE SLIP sent along with the Annual Report.
15. The business also to be transacted through electronic voting system and the Company is providing facility for voting by electronic means including remote e voting.
16. 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). Accordingly, the

Dividend paid during the year 2011-12 and remaining unpaid and unclaimed shall be transferred to IEPF fund by 11th August, 2019.

17. In case of joint holders attending the meeting, the member whose name appears as per Register of Members of the Company will be entitled to vote
18. Voting through electronic means

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended up-to-date, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to offer remote e voting facility to the members to cast their votes electronically as an alternative to participation at this Annual General Meeting (AGM). Please note that the remote e-voting through electronic means is optional. The Company is also providing the facility of poll at the meeting by way of ballot. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide remote e- voting facilities. The remote e - voting facility is available at the link <https://www.evotingindia.com>

The Company had fixed Friday, 26th July, 2019 as the cutoff date for determining voting right of shareholders entitled to participating in the e- voting process. In this regard, your demat account/folio number has been enrolled by the Company for your participation in e voting on resolutions placed by the Company on e-voting system.

<b>COMMENCEMENT OF REMOTE E VOTING</b>	<b>END OF REMOTE E VOTING</b>
<b>TUESDAY, 30TH JULY, 2019 AT 9:00 A.M</b>	<b>THURSDAY, 01ST AUGUST, 2019 AT 5:00P.M</b>

During this period, members of the Company may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the member shall not be allowed to change it subsequently as well as not allowed to vote at the meeting.

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on 26th July, 2019.

The instructions for members for remote voting

electronically (both for physical shareholders as well as demat holders) are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders tab.
- (iii) Now, select the “NITTA GELATIN INDIA LIMITED from the drop down menu and click on “SUBMIT
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, please follow the steps given below:  
For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.</li> </ul> <p>Eg: If your name is Ramesh Kumar with Sequence Number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details#	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.
OR Date of Birth (DOB)	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 in order to login.

- viii) After entering these details appropriately, click on “SUBMIT tab.
- ix) Members holding shares in physical form will

then reach directly the Company selection screen. However, members 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 remote 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.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for NITTA GELATIN INDIA LIMITED on which you choose to vote.
- xii) 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.
- xiii) Click on the “RESOLUTIONS FILE LINK if you wish to view the entire Resolution details.
- xiv) 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.
- xv) Once you “CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL’s mobile app & m-voting available for android based mobiles. The m-voting app can be downloaded from Google Playstore. Apple and Windows phone users

can download the app from the app store and the windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xix) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- a) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - b) 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.
  - c) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - d) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - The Company has appointed Mr Abhilash Nediyaalil Abraham (M.No.22601 and (C.P No.14524) as the Scrutinizer for conducting the remote e- voting process in fair and transparent manner.
  - The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting , a consolidated scrutinizer’s report on the total votes cast in favor or against,if any,to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or the person authorized by him shall declare the result of

the voting forthwith.

The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website [www.gelatin.in](http://www.gelatin.in) and on the website of CDSL immediately after the results have been declared by the Chairman. The Company shall simultaneously communicate the results to BSE Ltd.,Mumbai, who shall place the same in their web site.

## **EXPLANATORY STATEMENT**

### **PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **SPECIAL BUSINESS:**

#### **ITEM NO.5- APPOINTMENT OF MR. E. NANDAKUMAR (DIN: 01802428)-INDEPENDENT DIRECTOR**

Mr. K. L. Kumar (DIN: 00004804), Independent Director, had ceased to hold office as Director of the Company consequent on his retirement at the AGM dated 03.08.2018. The Company, in order to be fully compliant with Section 150(2) of the Companies Act, 2013 regarding the required number of Independent Directors, had; at the Board meeting held on 29.10.2018, appointed Mr. E. Nandakumar as an Additional Director, and he fulfills the criteria prescribed for an Independent Director, under law.

He is a Chemical Engineer and trained in Strategic Business Management at the Harvard University, USA had started his career with SAIL at their Bokaro Steel Plant. He has 30 years of experience with the petroleum industry with vast experience in Project Management, Operations, Business Development and Marketing. He has served as a Director on the Boards of Cochin Port Trust, Cochin International Airport Limited, Petronet CCK and as an Independent Director in the State PSU, Malabar Cements Ltd. He was a member of advisory panel of various statutory and non-statutory bodies and involved in framing many of the safety standards for the Hydrocarbon industry as part of the OISD. He had participated as member / leader in the safety audits of several refineries in India. He is involved with social initiatives like “Nanma which is engaged in the capability enhancement of students from the economically backward section, Kochi Time Bank etc. Post superannuation, he worked for 3 years as a consultant in Vietnam.

Given his expertise and experience, Mr. E. Nandakumar was considered suitable for appointment as an Independent Director on the Board, in place of Mr. K. L. Kumar.

In the opinion of the Board of Directors Mr. E. Nandakumar 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 he is independent of the management. Directors are of the opinion that Mr. E. Nandakumar is a person of integrity and possess relevant expertise and experience. The Company has also received a declaration from Mr. E. Nandakumar that he meets with the criteria of independence as prescribed under section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Mr. E. Nandakumar himself under Section 160 of the Act proposing his appointment as an Independent Director of the Company for a term of five consecutive years from date of passing of this resolution. Upon his appointment, Mr. E. Nandakumar shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Mr. E. Nandakumar as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours of working days upto the completion of the AGM.

Except Mr. E. Nandakumar, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested - financial or otherwise- in this items of business.

#### **ITEM NO.6- APPOINTMENT OF MR. YOICHIRO SAKUMA (DIN: 08237722)- INDEPENDENT DIRECTOR**

Dr. Naotoshi Umeno (DIN: 06976100), Independent Director, had ceased to hold office as Director of the Company consequent on his resignation effective 04.08.2018. The Company, in order to be fully compliant with Section 150(2) of the Companies Act, 2013 regarding the required number of Independent Directors, had; at the Board meeting held on 29.10.2018, appointed Mr. Yoichiro Sakuma as an Additional Director, and he fulfills the criteria prescribed for an Independent Director, under law.

He is a Bachelor of Philosophy and associated with NGI, Japan as an Independent Director. Earlier to that, he was Director and Executive Vice President of Nitto Denko Japan.

Given his expertise and experience, Mr. Yoichiro Sakuma was considered suitable for appointment

as an Independent Director on the Board, in place of Dr. Naotoshi Umeno.

In the opinion of the Board of Directors Mr. Yoichiro Sakuma 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 he is independent of the management. Directors are of the opinion that Mr. Yoichiro Sakuma is a person of integrity and possess relevant expertise and experience. The Company has also received a declaration from Mr. Yoichiro Sakuma that he meets with the criteria of independence as prescribed under section 149(6) of the Companies Act 2013. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Mr. Yoichiro Sakuma himself under Section 160 of the Act proposing his appointment as an Independent Director of the Company for a term of five consecutive years from date of passing of this resolution. Upon his appointment, Mr. Yoichiro Sakuma shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Mr. Yoichiro Sakuma as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours of working days upto the completion of the AGM.

Except Mr. Yoichiro Sakuma, no Director or Key Managerial Personnel of the Company or their relatives are concerned or interested - financial or otherwise- in this items 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 appointed as Director (Technical) in the year 2017, with Central Government approval, replacing Mr. Takeo Yamaki as Whole Time Director of the Company designated, as Director (Technical) for a period of two years beginning 09.05.2017 consequent on the latter tendering his resignation with effect from 01.04.2017 on getting reverted to the services of NGI Japan.

Pending completion of the two year term, Dr. Shinya Takahashi was proposed for reappointment by NGI, Japan, where after the Board of Directors at their meeting dated 06.05.2019 re-appointed Dr. Shinya Takahashi as Director (Technical) for a fur-



ther term of two years beginning that date, on such terms and conditions as were originally approved at the time of his appointment and more specifically detailed as part of the resolution. The reappointment of Dr. Shinya Takahashi by the Board of Directors requires approval/confirmation by the Shareholders as envisaged under the provisions of Section 197(4) of the Companies Act, 2013.

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.

Your Board of Directors at their meeting dated 06.05.2019, on detailed consideration of the recommendations of Nomination and Remuneration Committee, recommends to the General Body of shareholders, reappointment of Dr. Shinya Takahashi as a Wholtime 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.

This Explanatory Statement along with the General Information commonly given both for the offices of Whole time Director and MD excepting their personal (appointee) details on the wake of inadequacy of profit for payment of remuneration for the year 2019-20, may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

## **GENERAL INFORMATION**

### **APPOINTEE DETAILS**

#### **BACKGROUND:**

Dr. Shinya Takahashi holds a PhD. from Chiba University and Graduate School of Advanced Integration Science. Dr. Shinya Takahashi had held position of General Manager (Quality Assurance) in Nitta Gelatin Inc., Japan before joining Nitta Gelatin India Ltd. as its Director (Technical) in the year 2017.

#### **PAST REMUNERATION (FY 16-17):**

No remuneration drawn from domestic Companies in India.

#### **RECOGNITION OR AWARDS:**

He has long years of experience at Nitta Gelatin Inc., Japan, leaders in Gelatin Industry in Asia Pacific region.

#### **JOB PROFILE AND HIS SUITABILITY:**

Dr. Shinya Takahashi as Director (Technical) looks after the operations of the Company, specifically, technical and quality aspects with respect to raw material, production and process, in addition to R&D projects. He reports to the Managing Director of the Company.

#### **REMUNERATION PROPOSED:**

The remuneration payable is outlined in the corresponding resolution itself.

#### **COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON:**

The proposed remuneration is lower than that of similar designated / positioned executives in the industry in Japan.

#### **PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY**

Dr. Shinya Takahashi does not have any other direct or indirect pecuniary relationship with the Company or relationship with any managerial personnel.

#### **ITEM NO. 8- PAYMENT OF REMUNERATION TO MR.SAJIV K.MENON (DIN: 00168228)- MANAGING DIRECTOR, ON THE WAKE OF INADEQUACY OF PROFIT FOR THE FINANCIAL YEAR**

Mr. Sajiv K. Menon, Managing Director was reappointed as such at 41st AGM of the Company dt. 24.06.2017 for a period of three years ending 31.03.2020 pursuant to Sections 198, 269, 309, 310, 311 and Schedule V and such other applicable provisions of the Companies Act, 2013 and in terms of Article 127 (1) of the Articles of Association of the Company.

The re- appointment of Mr. Sajiv K. Menon as Managing Director on such terms and conditions as approved by the shareholders, now necessitate an

approval by Special Resolution of the shareholders in the light of the provisions under the Companies Act, upon consideration of General information as mandated under Para C Section II Part II Schedule III of The Companies Act, 1956, since the Company had no profits / inadequate profits for the year 2018-19 consequent on merger of the Subsidiary Company, M/s. Reva Proteins Limited with M/s.Nitta Gelatin India Limited, where after the accumulated loss in the Books of Accounts of the former, got absorbed in the financials of the latter for the year. The amendment to the relevant provisions under the Companies Act, apart from mandating a Special Resolution to continue with the remuneration on the wake of inadequacy of profit, does not mandate an approval by Central Government as had hitherto been provided under the relevant provisions of the Act.

Mr. Sajiv K. Menon is possessing adequate qualification and specialized knowledge in the field of his profession and is not having any interest in the capital of the Company or its Subsidiary Company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company or its holding Company at any time during the last two years before or on the date of appointment.

The continuation in payment of remuneration to Mr. Sajiv K. Menon as were approved by the shareholders warrant a Special Resolution on consideration of the general information as here-in-below.

Except Mr. Sajiv K. Menon, no other Director is concerned or interested in this resolution.

## I GENERAL INFORMATION

- (1) **NATURE OF INDUSTRY:** The Company is a manufacturer of Ossein, Gelatin and Collagen Peptide.
- (2) **DATE OR EXPECTED DATE OF COMMENCEMENT** of commercial production: The Company was incorporated on 13/04/1975. Commercial production started on June 1979.
- (3) **IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY THE FINANCIAL INSTITUTION APPEARING IN THE PROSPECTUS: N.A**
- (4) **FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS:**

(RS.IN LAKHS)

Particulars	2017-18	2018-19
Sales	33853.76	25146.59
Net Profit / (Loss) after tax	60.74	(186.84)

- (5) **FOREIGN INVESTMENT OR COLLABORATORS, IF ANY:** Foreign collaboration of Nitta Gelatin Inc., (NGI), Japan, a leading global Gelatin manufacturer. NGI holds 42.96% in the equity of the Company.

## II INFORMATION ABOUT THE APPOINTEE

1. **Background details:** Mr. Sajiv K.Menon is a B.Tech (Chemical Engineering), REC Trichi (1980 - University 3<sup>rd</sup> Rank Holder) and PGDM (Finance and Marketing), IIM Bangalore, besides being a Fulbright Scholar at Carnegie Mellon University, US. He started his career in the year 1980 as a Project Engineer in Grindwell Norton Limited (Abrasive Industry) before joining ONGC, Dehradun as an Executive Assistant to Chairman and Member in the year 1984. Later with Aruna Sugars Limited from the year 1986 to 1997, he worked starting as an Assistant Manager (Projects) and was their Dy.GM (Diversification and Planning) at the time of his resignation. Thereafter he worked with Murugappa Group (A 225 Billion Group) in various capacities from the year 1997 till he became CEO and Business Head of the business of Bio and Nutraceuticals products of EID Parry (India) Limited. Mr. Sajiv K. Menon brings with him the above experience and expertise while continuing as Managing Director of Nitta Gelatin India Limited.
2. **PAST REMUNERATION DRAWN (FY 2012-13):** Rs. 1.5 Crores p.a
3. **RECOGNITION/AWARDS ACHIEVEMENTS:** A third rank holder from REC, Trichy, in B.Tech (Chemical Engineering). Also a Fulbright Scholar at Carnegie Mellon University, US, a global research University.
4. **JOB PROFILE AND HIS SUITABILITY:** Mr. Sajiv K. Menon exercises substantial executive power, under the control and direction of the Board of Directors of the Company. He is responsible for overall operations and working affairs of the Company. He is managing under his direct control, the core departments of the Company viz. production, marketing, finance, R&D, information technology, human resource

development and materials. Considering his academic credentials and successful tenure with a premier organization and hands on experience in bio & nutraceutical products, he is best suited for the responsibility as Managing Director of the company on payment of the proposed remuneration.

5. **REMUNERATION PROPOSED:** The remuneration payable is outlined in the corresponding resolution itself.
6. **COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON:** The proposed remuneration is at par with the similar designated/positioned executives in the industry.
7. **PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL, IF ANY:** Mr. Sajiv K. Menon does not have any other direct or indirect pecuniary relationship with the Company or relationship with any managerial personnel.

### III OTHER INFORMATION

#### 1. REASONS OF LOSS OR INADEQUATE PROFITS:

During the financial year ended 31.03.2019, the Company has registered a net loss on account of the following factors:

- a. There was interruption and stoppage of production at the Ossein plant of the Company at Kadukutty Panchayat, Trichur District for around five months during the financial year on account of Kerala floods followed by severe water shortage. This plant being the mother plant catering to the requirements of our Gelatin plant, the impact of such prolonged interruption of production had caused a serious drain on the revenue of the Company.
- b. The merger of Reva Proteins Ltd. Subsidiary Company with Nitta Gelatin India Ltd. absorbed a cumulative loss of around Rs. 8.00 cr. of the former.
- c. Change in business model of subsidiary Company Bamni Proteins Ltd.

#### 2. STEPS TAKEN / PROPOSED TO BE TAKEN FOR IMPROVEMENT

The inadequacy of profit resultant of the merger of subsidiary Company as herein above

mentioned, being an unusual activity during the year is not to repeat in future years as it did during the year under reckoning.

### IV DISCLOSURE

1. A special resolution and detailed explanatory statement about the terms and conditions thereof of Mr. Sajiv K. Menon is presented under the Notice convening the ensuing Annual General Meeting.
2. The details regarding remuneration package etc., of all other Directors, are produced in the Corporate Governance Report, annexed to the Directors' Report.

#### ITEM NO.9- APPROVAL FOR ENTRY INTO RELATED PARTY TRANSACTION BY THE COMPANY

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. The provisions of Section 188 (1) of the Companies Act, 2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned therein, with the Related Party(s), the Company must obtain prior approval of the Board of Directors.

As per provisions of Section 188 of Companies Act 2013 and Rules thereunder, amended, if the value of the sale transactions together with the value of transactions entered so far during the year amounts to 10% or more of the turnover of the Company as per the previous audited financial statement in respect of Related Party or Rupees One Hundred Crores whichever is lower, the Company has to obtain prior approval of shareholders by way of Ordinary Resolution.

Further third proviso of Section 188 (1) provides that nothing in that sub-section shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

As per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, even if the related party transaction is material by reason that it exceeds 10% or more of the annual consolidated turnover (taken individually or together), only an approval by way of Ordinary Resolution, need be obtained from the Shareholders of the Company.

In the light of the provisions of the Act, 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 01.10.2019 to 30.09.2020.

All the prescribed disclosures as required to be given under the provisions of the Companies Act 2013 and the Rules thereunder are given below in tabular format for kind perusal of member's approval:

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

**PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2019 TO 30.09.2020 FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT 2013.**

Name of Related Party	Director/KMP #	Nature of Relationship	Nature of Transaction	Period of Transaction	Maximum value of Transaction (Rs. In lakhs)
Nitta Gelatin Inc., Japan	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2019 to 30.09.2020	15000
	Dr.Shinya Takahashi	Nominee of Nitta Gelatin Inc, Japan	Availing of services	01.10.2019 to 30.09.2020	300
Nitta Gelatin Inc., USA	Koichi Ogata	Director & Executive Officer, Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2019 to 30.09.2020	12000
	Dr.Shinya Takahashi	Nominee of Nitta Gelatin Inc, Japan	Availing of services	01.10.2019 to 30.09.2020	150
Bamni Proteins Ltd.	Sajiv K Menon Dr Shinya Takahashi	Managing Director, Nitta Gelatin India Ltd Nominee of Nitta Gelatin Inc, Japan	Sale of Goods	01.10.2019 to 30.09.2020	8000

# Director / KMP - whose relationship only by virtue of holding office as such and not by reason of individually holding 2% of paid up Share Capital in the Company having relationship.

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 or otherwise in passing of this resolution.

By Order of the Board,

Kochi  
09.05.2019

G. Rajesh Kurup  
Company Secretary

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ APPROVAL OF TERMS OF APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.**

Name	E.K Nandakumar	Yoichiro Sakuma	Koichi Ogata	Dr Shinya Takahashi	Sajiv K Menon
Age (Years)	67	63	61	58	59
Nationality	Indian	Japanese	Japanese	Japanese	Indian
Date of appointment	29.10.2018	29.10.2018	02.08.2019	06.05.2019	24.06.2017
Qualification	Chemical Engineer	Bachelor of Philosophy	Bachelor of Science, Tohoku University	PhD from Chiba University and Graduate School of Advanced Integration Science	B. Tech (Chemical Engineering) from REC, Trichy and PGDM (Finance and Marketing), IIM Bangalore,
Expertise	He has 30 years of experience with the petroleum industry with vast experience in Project Management, Operations, Business Development and Marketing	Associated with NGI, Japan as an Independent Director. Earlier to that, he was Director and Executive Vice President of Nitto Denko Japan.	President of NGI, Japan	He has long experience at Nitta Gelatin Inc., Japan Leader in Gelatin in Asia Pacific Region.	He has long experience of more than 33 years in various capacities in Engineering and Chemical Industries before joining NGIL as its MD on 01.04.2014.
Other Directorships excluding Foreign Companies	NIL	NIL	NIL	1	1
Member / Chairman of committees of other Companies	NIL	NIL	NIL	NIL	NIL
Relationship, if any, between Directors inter se	NIL	NIL	NIL	NIL	NIL
Share holding in the Company	NIL	NIL	NIL	NIL	NIL

**Route-map to the Venue of AGM**

