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

REGISTERED & CORPORATE OFFICE
Nitta Center
SBT Avenue
Panampilly Nagar, Ernakulam
Kerala, India-682036
Tel : 0484 2864400, 2317805
Email : ro@nitta-gelatin.co.in

CIN : L24299KL1975PLC002691

GELATIN DIVISION
Post Box 3109
PO Info Park,
Kakkanad, Cochin
India-682042
Tel : 0484 2869300, 2869500
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

REVA DIVISION
Plot No.832, 832/1 & 832/2,
GIDC - Mega Industrial Estate,
Jhagadia - 393110
Dist.: Bharuch, Gujarat, India
Phone : +91 9099436733
Email : rd@nitta-gelatin.co.in

Website : www.gelatin.in

12th July, 2024

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– Annual Report for the Financial Year 2023- 2024 and Notice of the 48th Annual General Meeting

With reference to the above subject, please find enclosed herewith the Annual Report for the Financial Year 2023- 2024 which includes the Notice of the 48th 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, 2024, 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 48th AGM and the Annual Report for the Financial Year 2023- 2024 have been made available on the Company's website- https://www.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: 2024.07.12 15:17:59 +05'30'

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

48th ANNUAL REPORT 2023 - 24

Nitta Gelatin India Limited

www.gelatin.in

Nitta Gelatin India Limited

Message from

Hidenori Takemiya

President,
Nitta Gelatin Inc.
Osaka, Japan
2-22, Futamata, Yao City, Osaka 581-0024, Japan

Dear Shareholders,

It is indeed my privilege to address you for the first time after taking over as President of Nitta Gelatin Inc, Japan. Let me at the outset, place on record our sincere gratitude and appreciation to Mr. Koichi Ogata, for his excellent contribution in enhancing value to your Company both as the President of the Nitta Gelatin Group and also as a Director on the Board of your Company.

It is a big honour for me to take his mantle and I can assure you my best efforts for adding to the shareholders' wealth of your Company.

Your Company continues to be a vital component in the Nitta Gelatin Group and we are proud of the fact that your Company has recorded an all-time high profit in 2023-24.

The market characteristics in the Asia Pacific region are witnessing a radical transformation in diet diversification caused by rapid urbanization and supported by liberal trade policies in the food sector. Furthermore, a rise in consumer awareness of health issues, an increase in the proclivity of consumers toward health-benefiting functional foods, an increasing demand for convenience foods and a surge in disposable income and purchasing power, offer new growth opportunities for gelatin manufacturers in the region.

Collagen Peptide with its versatile end uses offer a value addition proposition for gelatin driven by the rising trend of health consciousness and the demand for convenience foods. The growing demand for fortified beverages, fruit juices, and alcoholic beverages in addition to usage in pharma industry also fuels this demand worldwide.

As a key member of the Nitta Gelatin Group, we wish to reiterate our support for the growth of your Company and will continue our technical, marketing and business support to the management team, as always, to ensure that the Company scales new heights in the years to come.

Warm Regards,

Hidenori Takemiya

Hidenori Takemiya

Nitta Gelatin India Limited

Message from the
CHAIRMAN

APM Mohammed Hanish IAS

Principal Secretary to Government

Industries & Revenue (Waqf) Department

Government of Kerala

Government Secretariat, Thiruvananthapuram, Kerala – 695 001

Dear Shareholders,

I am happy to address you at a time when your Company has achieved an all time high in profits during the year 2023-24. This has been made possible with the support of the Promoters, Nitta Gelatin Inc, Japan and the Kerala State Industrial Development Corporation Limited (KSIDC) and backed by the dedicated efforts of the Company's employees. The State of Kerala has formulated a new policy to accelerate its industrial growth and create more employment opportunities. This policy builds upon the previous policy unveiled in 2018, incorporating changes that align with the current times. Kerala is carving out a distinct industrial model by fortifying core sectors, attracting substantial investments, nurturing innovative concepts and fostering a sustainable business environment. This is also reflected in the gross state domestic product that has shown a growth rate of more than 11% in 2023-24 compared to 2022-23.

The Ground-Breaking ceremony (Bhumi Pooja) of your Company's Collagen Peptide expansion project was held on April 30, 2024 at its factory located in Kakkanad, Kochi. The project is expected to be commissioned by the middle of next year. The demand for Collagen Peptide is growing worldwide as it helps in promoting joint health and also 'beauty from within'.

The Company is also actively evaluating investments in other opportunities. Welcoming the new investments, the Hon'ble Chief Minister of Kerala noted that the State of Kerala has a strong relationship with the Japanese partners and expressed happiness that the Company has honoured the commitment that was made to him while he visited Japan. He said that the Company is a shining example of a successful partnership between the State and a global organisation and offered all support for further expansion of its activities in Kerala.

I wish to express my best wishes and support to the management team for pursuing an aggressive growth plan to establish new performance records in the years ahead. I would assure you of the support of the Government of Kerala and the KSIDC in this exciting journey ahead.

Best Regards,

APM Mohammed Hanish IAS

BOARD OF DIRECTORS

Mr. APM Mohammed Hanish IAS
Chairman

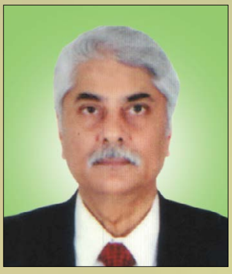
Mr. Sajiv K. Menon
Managing Director

Mr. Hidenori Takemiya
Director

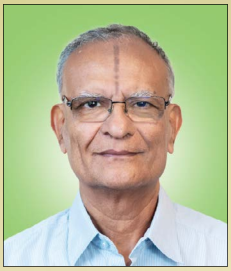
Mr. Kazuya Hayashi
Director

Mr. S. Harikishore IAS
Director

Mr. E. Nandakumar
Independent Director



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



Mr. V. Ranganathan
Independent Director

Prof. Dr. M.K.Chandrasekharan Nair
Independent Director

Mrs. Shirley Thomas
Independent Director

BOARD OF DIRECTORS

Chairman	:	Mr. APM Mohammed Hanish IAS
Directors	:	Mr. Hidenori Takemiya
		Mr. S. Harikishore IAS
		Mr. Kazuya Hayashi
		Mr. E. Nandakumar
		Dr. Justice (Retd.) M. Jaichandren
		Mr. V. Ranganathan
		Prof. Dr. M.K. Chandrasekharan Nair
		Mrs. Shirley Thomas
Managing Director	:	Mr. Sajiv K. Menon
Chief Financial Officer	:	Mr. P. Sahasranaman
Company Secretary	:	Mr. Vinod Mohan
Statutory Auditors	:	Walker Chandiok & Co LLP, Kochi
Secretarial Auditor	:	Mr. Abhilash Nediyalil Abraham, Kochi
Bankers	:	State Bank of India
		HDFC Bank
		Standard Chartered Bank
		Sumitomo Mitsui Banking Corporation
		Mizuho Bank
		UCO Bank
		Federal 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	:	Nitta Center, SBT Avenue, Panampilly Nagar, Ernakulam - 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 award - Category Education

Awards & Accolades

Award from Annamanada Panchayath for our CSR projects

Memento from the District Collector, Thrissur for CSR initiatives

Nitta Gelatin India Limited

CORPORATE SOCIAL RESPONSIBILTY

Chathanchal lift irrigation scheme 2024

Inauguration of Cheruvaloor lift irrigation scheme

Inauguration of extension of Chathanchal lift irrigation scheme

Food kit distribution to Annamanada adidaridrer category families

Mega Medical Camp at Chalakudy

Cow distribution scheme at Annanad

CORPORATE SOCIAL RESPONSIBILITY

CPR Training for public

Inauguration of Nitta-Nanma Batch, 2023

Kids park at UPS Kathikudam

Anganvadi construction

Nitta SSLC award

Nitta Badminton Tournament 2024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3 Hacks
to reduce skin stress
1 Drink plenty of water
2 Follow a consistent skincare routine
3 Take Gelixer Collagen everyday
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Gelixer

What is in the Bottle?

Fish Collagen Peptides
Brightens & hydrates skin

Vitamin C
Fights harmful toxins

Orange flavor
Rich citrusy taste

Gelixer

4 signs of collagen deficiency

you can look out for

- Wrinkles & Fine Lines
- Dull or Thin hair
- Dry & dehydrated skin
- Slow muscle recovery
- Brittle bones

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The journey of sweet youth begins with...

- Anti-aging benefits
- Smoother and glowing skin
- Promotes hair growth
- Stronger nails
- Healthy bones

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SUMMER WELLNESS CHECKLIST

- » Eat healthy food
- » Get enough sleep
- » Drink lots of water
- » Use sunscreen
- » A couple of scoops of Collagen

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Gelixer

Rich in Protein

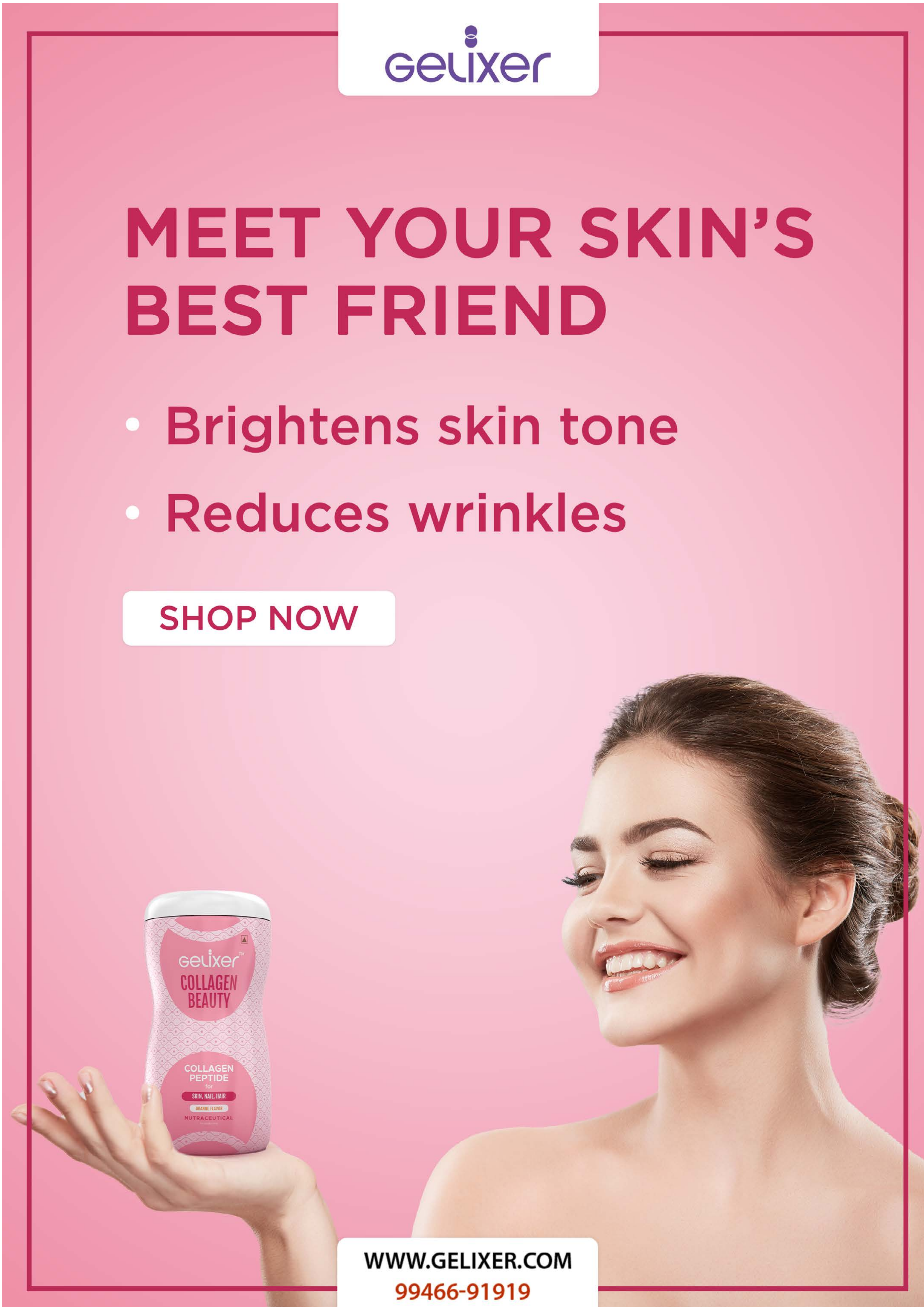
Free from Sugar

Melamine Free

Gluten Free

Dairy Free

Free from Fat &
Cholesterol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COLLAGEN
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CONTENTS

Standalone Financial Highlights (10 Years)

(₹ in Lakhs)

Particulars	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#	2021-22#	2022-23#	2023-24#
Total Income	36,116	36,099	35,016	34,786	26,190	29,778	35,892	43,432	49,206	48,964
Sales*	34,857	34,707	31,999	33,538	25,276	28,816	34,579	40,482	47,133	46,163
Exports (FOB)	18,275	17,763	16,535	16,383	11,508	12,134	18,813	20,242	20,447	18,052
Pre-tax Profit/(Loss)	1,003	2,643	3,183	1,074	(367)	688	2,434	3,761	7,808	10,988
Profit/(Loss) after tax	510	1,668	2,049	378	(264)	790	1,790	2,660	5,876	8,249
Total Comprehensive Income	-	-	2,109	306	(151)	201	2,220	2,434	5,886	8,248
Earning per share (₹)	5.62	17.33	23.23	4.16	-2.9	8.7	19.72	29.29	64.72	90.85
Dividend per share (₹)	1	2.5	2.5	2.5	1.5	2.5	3	4	7.5	6.0
Reserves, Retained Earnings and other Equity	11,252	12,469	13,010	13,771	13,346	13,409	15,402	17,564	23,086	30,653
Share Capital	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	907.92	908
Shareholder's Funds	12,160	14,957	13,918	14,679	14,254	14,317	16,310	18,472	23,994	31,561.21
Return on Equity (%)	4.2	11.16	14.72	2.57	-1.85	5.51	10.98	14.40	24.49	26.13
Book Value/Share (₹)	133.93	147.34	153.29	161.68	157	157.69	179.6	203.5	264.3	347.62
Gross Block	20,837	21,818	9,772	14,232	15,562	17,178	17,657	18,863	20,386	21,327
Net Block	7,727	8,027	8,733	11,939	12,137	11,969	10,958	10,891	11,438	11,321

*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	2014-15	2015-16	2016-17	2017-18#	2018-19#	2019-20#	2020-21#	2021-22#	2022-23#	2023-24#
Total Income	35,953	36,089	36,477	34,672	30,395	34,378	39,769	51,055	56,618	54,392
Sales*	34,857	34,707	33,580	33,538	29,838	33,674	38,859	48,237	55,046	52,201
Exports (FOB)	18,275	17,763	17,959	16,383	14,246	13,679	21,294	25,168	24,964	21,311
Pre-tax Profit/(Loss)	139	1,814	2,398	1,188	733	1,341	2,532	4,916	9,907	11,638
Profit/(Loss) after tax	(359)	856	1,224	460	492	1,235	1,793	3,485	7,390	8,411
Total Comprehensive Income	(359)	856	1,281	383	623	554	2,256	3,248	7,394	8,410
Earning per share (₹)	(1.56)	10.77	16.24	4.91	3.82	12.38	19.15	36.26	77.44	91.02
Reserves, Retained Earnings and other Equity	10,505	10,909	14,053	14,060	14,409	14,728	16,685	19,623	26,553	34,132
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	11,412	11,817	14,961	14,968	15,317	15,636	17,593	20,531	27,461	35,040
Gross Block	27,079	28,410	13,626	14,745	16,133	17,832	18,325	19,598	21,185	22,437
Net Block	12,629	12,812	12,272	12,312	12,542	12,442	11,430	11,374	11,954	12,096

*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 48th Annual General Meeting of Nitta Gelatin India Limited will be held on Sunday, the 4th Day of August, 2024 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 2024, 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 2024, together with the Report of the Auditors thereon.
2. 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.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Kazuya Hayashi (DIN: 10620706) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO.5 – RE-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 **SPECIAL RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Rules framed thereunder read with Schedule IV to the Act, Regulation 16, 17 & 25 (2A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. E. Nandakumar (DIN: 01802428), who holds office of Independent Director up to 01.08.2024 and approved by the Board of Directors at their meeting dated 10.05.2024, based on the recommendation of the Nomination and Remuneration Committee for continuance as such Director beyond 01.08.2024, who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term with effect from 02.08.2024 till the Annual General Meeting to be held in the year 2026, not liable to retire by rotation.

RESOLVED FURTHER THAT the Directors and/or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

ITEM NO. 6 - APPOINTMENT OF MR. HIDEHITO JAY ARAKI (DIN:02517509) -INDEPENDENT DIRECTOR

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

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 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, Mr. Hidehito Jay Araki (DIN: 02517509) who was appointed as an Additional Director qualifying as an Independent Director at the Board Meeting held on 21.06.2024 with effect from 4th August 2024 pursuant to provisions of Section 161(1) of the Act and who holds office up to the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Act signifying his candidature as the Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office from the ensuing Annual General Meeting to be held in the year 2024 till the conclusion of the Annual General Meeting to be held in the year 2028 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 – APPOINTMENT OF MR. PRAVEEN VENKATARAMANAN (DIN: 10607119) 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 at its meeting held on 30th April 2024 and further to the decision made by the Board of Directors of the Company at its meeting held on 21st June, 2024 approving the appointment of Mr. Praveen Venkataramanan (DIN: 10607119) 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 applicable provisions 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. Praveen Venkataramanan (DIN: 10607119) as the Managing Director of the Company w.e.f the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2027, 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 per month will be ₹ 500,000/- with an annual increment of 10% of Basic Pay on completion of every year of service.

2. Housing:
   a. Company hired accommodation subject to a cost ceiling of 50% of Basic Pay which would be treated as per the applicable Income Tax Rules.

   b. If Company is not required to provide accommodation, House Rent Allowance @50% of Basic Pay will be paid per month

3 Special Allowance
   Special Allowance of ₹ 185,000/- per month.

4. Incentive
   An annual incentive of ₹ 61,60,000/- will be payable as per the scheme, of which the minimum assured amount of ₹ 256, 667/- will be payable every month.

5. Leave Travel Allowance
   Leave Travel Allowance of ₹ 400,000/- per annum.

6. Furnishing, Gas, Electricity and Water
   Allowance towards Gas, Electricity, Water, and Furnishing, equivalent to an yearly ceiling of 20% of Annual Basic Pay. Any unclaimed amount during the year will be credited to his account at the end of the year.

7. Medical Benefits
   Medical Allowance Reimbursement of one month's Basic Pay payable as per rules applicable to the management staff of the Company. This will be payable on a pro-rata basis every month.

8. Personal Accident Insurance
   An annual premium not exceeding ₹ 12,000/- shall be borne by the Company.

9. Leave and Leave Encashment
   (i) Earned Leave of 30 days for every completed year of service. At the end of the tenure, un-availed leave will be allowed to be encashed based on the basis of last drawn Basic Pay.

   (ii) Other leave as per rules applicable to the management staff of the Company

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

11. Gratuity
    15 days' salary at the last drawn Basic Pay for every completed year of service. No minimum service period is required.

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 mobile connection and internet facility at the residence will be provided.

14. Club Membership
    Membership fees of any one club will be reimbursed. No admission or life membership fee 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, subject to the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013.

16. Period of Appointment:
    With effect from the conclusion of the Annual General Meeting to be held in 2024 till the conclusion of the Annual General Meeting to be held in the year 2027.

17. Termination of Term of Office:
    The agreement may be terminated earlier by either party by giving to the other party, six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.

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.8– APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228) AS A NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

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

RESOLVED THAT in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sajiv K. Menon (DIN: 00168228) be and is hereby appointed as a Non-Executive Non-Independent Director of the Company with effect from the conclusion of this Annual General Meeting, liable to retire by rotation.

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
21.06.2024

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. 09/2023 dated 25.09.2023 which is sequel to their earlier Circular No. 10/2022 dated 28.12.2022, 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 2023- 24 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 2023-24 will also be available on the Company's website https://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 **27th July, 2024 to 4th August, 2024** 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 02.09.2024 to those Shareholders whose names appear on the Register of Members as on closure, subject to deduction of tax at source.

9. In terms of SEBI Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 read with with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, dividend shall be paid only through electronic mode with effect from 01.04.2024, with respect to shares held in physical mode for which PAN and complete KYC details ie Postal address with PIN, Mobile Number, Bank details and Specimen Signature is furnished.

   Members holding shares in physical mode and who have not registered PAN and complete KYC details are requested to furnish PAN and complete KYC details to Registrar and Share Transfer Agent at the below mentioned address in prescribed forms along with supporting documents. The forms can be downloaded from our website at www.gelatin.in and from the website of our RTA Cameo Corporate Services Ltd. at https://cambridge.cameoindia.com:1000/Module/Downloadable_Formats.aspx

   Cameo Corporate Services Limited
   Unit: Nitta Gelatin India Limited
   Subramanian Building
   No.1, Club House Road,
   Chennai – 600 002

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 Monday, 29th July, 2024. 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 Monday, 29th July, 2024.

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 2016-17 and remaining unpaid and unclaimed of ₹ 3,21,272.52 shall be transferred to IEPF fund by 30th July, 2024.

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.

    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 working 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 Wednesday, July 31st, 2024 (9:00 a.m. IST) and ends on Saturday, August 3rd, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, July 26th, 2024 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.
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 above mentioned 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 mode:
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) working 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. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 5 (five) working 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 speakers 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. 5 – RE-APPOINTMENT OF MR. E. NANDAKUMAR (DIN: 01802428) - INDEPENDENT DIRECTOR

Mr E. Nandakumar was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 02.08.2019 and his appointment was approved by the shareholders at the Annual General Meeting held in the year 2019. Accordingly, Mr. E. Nandakumar's term of office will expire on 01.08.2024. The Nomination and Remuneration Committee, after considering the evaluation of his performance and his skills, experience and time commitment, has recommended to the Board of Directors his re-appointment for a second term commencing from 02.08.2024 till the conclusion of the Annual General Meeting scheduled to be held in 2026.

The Board of Directors at its meeting held on 10th May, 2024 approved his re-appointment as an Independent Director of the Company for a second term with effect from 02.08.2024 till the conclusion of the Annual General Meeting scheduled to be held in 2026 not liable to retire by rotation, subject to approval of the shareholders. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that with the re-appointment of Mr. E. Nandakumar, the Company and the Board of Directors will continue to draw immense benefit from his business leadership, expertise, governance practices and valuable insights.

Mr. E. Nandakumar has attended all the meetings during the year and has provided his valuable inputs in the best interests of the Organisation and shareholders, both as a Board member and as Committee member.

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

In accordance with the statutory provisions, approval by shareholders is required by way of Special Resolution for appointment or re-appointment of an Independent Director on the Board of Directors of the Company. The Company has received consent, statutory disclosures/declarations and confirmations from Mr. E. Nandakumar with regard to his proposed re-appointment.

The Board of Directors is of the opinion that Mr. E. Nandakumar fulfils the conditions specified in Sections 149, 150 and 152 read with Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI Listing Regulations (including any statutory modification(s) and/or re-enactment (s) thereof for the time being in force) and is independent of the management of the Company.

Accordingly, the Board of Directors proposes and recommends for the re-appointment of Mr. E. Nandakumar as an Independent Director of the Company as set out in the Notice for approval of the shareholders.

Additional information in respect of Mr. E. Nandakumar is provided hereinafter and the same forms an integral part of this Notice.

Other than Mr. E. Nandakumar and/or his relatives, none of the Directors and the Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out in the Notice.

The Board of Directors recommends passing of the resolution as set out under Item No.5 as a Special resolution for approval by the shareholders.

ITEM NO. 6 - APPOINTMENT OF MR. HIDEHITO JAY ARAKI (DIN:02517509) -INDEPENDENT DIRECTOR

In order to ensure the right composition of Directors in accordance with Regulation 17 (1)(b) of the SEBI Listing Regulations, an Independent Director needs to be appointed. Consequently, there was a search for identifying a suitable candidate, who could be considered to be appointed as an Independent Director pursuant to the exit of Mr. Yoichiro Sakuma, a Japanese National, the erstwhile Independent Director. Mr. Hidehito Jay Araki was identified as a candidate for being appointed as an Independent Director whose profile was duly considered and recommended to the Board of Directors by the Nomination and Remuneration Committee.

Mr. Hidehito Jay Araki has rich Industry experience of about 38 years across the globe. He has previously held the position of CEO and MD in ADK Fortune Communications Private ltd. He has also served as Independent Director for JTEKT India Ltd, a listed Company, the experience of which will be immensely benefitting your Company once he is on Board. His experience in the areas of Marketing and Business Strategy would add value to the Board.

In accordance with the statutory provisions, approval by shareholders is required by way of Special Resolution for appointment or re-appointment of an Independent Director on the Board of Directors of the Company. The Company has received consent, statutory disclosures/declarations and confirmations from Mr. Hidehito Jay Araki with regard to his proposed re-appointment.

The Board of Directors is of the opinion that Mr. Hidehito Jay Araki fulfils the conditions specified in Sections 149, 150 and 152 read with Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI Listing Regulations (including any statutory modification(s) and/or re-enactment (s) thereof for the time being in force) and is independent of the management of the Company.

The Board of Directors at its meeting held on 21.06.2024 has on the basis of recommendation by the Nomination and Remuneration Committee appointed Mr. Hidehito Jay Araki as an Additional Director qualifying as an Independent Director and as Non-Executive Independent Director to hold office with effect from the ensuing Annual General Meeting to be held in the year 2024 till the conclusion of the Annual General Meeting to be held in 2028, subject to the approval of the shareholders.

Accordingly, the Board of Directors proposes and recommends for the appointment of Mr. Hidehito Jay Araki as an Independent Director of the Company as set out in the Notice for approval of the shareholders.

Additional information in respect of Mr. Hidehito Jay Araki is provided hereinafter and the same forms an integral part of this Notice.

Other than Mr. Hidehito Jay Araki and/or his relatives, none of the Directors and the Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out in the Notice.

The Board of Directors recommends passing of the resolution as set out under Item No.6 as a Special resolution for approval by the shareholders.

ITEM NO. 7 – APPOINTMENT OF MR. PRAVEEN VENKATARAMANAN (DIN: 10607119) AS MANAGING DIRECTOR

Mr. Praveen Venkataramanan (DIN: 10607119) was nominated by Nitta Gelatin Inc., Japan as per the terms of the Promotional Agreement and applicable provisions of the Articles of Association of the Company, as the Managing Director of the Company. The Nomination and Remuneration Committee at its meeting held on 30th April 2024 had recommended to the Board to consider his appointment as Managing Director. Accordingly, the Board at their meeting held on 21st June, 2024 had appointed Mr. Praveen Venkataramanan as the Managing Director of the Company with effect from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2027 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 the applicable provisions 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. Praveen Venkataramanan 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. 7 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. Praveen Venkataramanan and his relatives, to the extent of his appointment are concerned or interested, financially, in the said resolution mentioned at item no. 7 of the Notice.

Incentive formula referred to at item no. 7 of the terms and conditions of appointment:

	Year II & III i.e. 2025-26 and 2026-27														
Incentive Criteria	**Amount/ annum**	**Achieve ment in %**	**Minimum/ pm**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**
Increase in Actual Net Profit (Consolidated) before Tax as compared to previous year by 10%	46,20,000	up to 50	1,92,500	50.01 to 80	62.5	28,87,500	80.01 to 100	75	34,65,000	100.01 to 110	100	46,20,000	Above 110.01	120	55,44,000
Increase in Total Revenue (consolidated) in the period compared to Board approved budget	15,40,000	up to 5	64,167	5.01 to 7.50	62.5	9,62,500	7.51 to 10	75	11,55,000	10.01 to 15	100	15,40,000	Above 15.01	120	18,48,000
Total	**61,60,000**		**2,56,667**		**62.5**	**38,50,000**		**75**	**46,20,000**		**100**	**61,60,000**		**120**	**73,92,000**

Incentive formula referred to at item no. 7 of the terms and conditions of appointment:

Incentive formula	2024-25 (to be considered prorata based on date of joining)														
Incentive Criteria	**Amount/ annum**	**Achieve ment in %**	**Minimum/ pm**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**	**Achieve ment in %**	**% of incentive**	**Amount/ annum**
Actual Net Profit before Tax of NGIL as compared to Board approved Budget for the year	30,80,000	up to 50	1,28,333	50.01 to 80	62.5	19,25,000	80.01 to100	75	23,10,000	100.01 to 110	100	30,80,000	Above 110.01	120	36,96,000
Increase in Sales volume of NGIL in current period compared to Board approved budget for the year - 70% weightage for Gelatin and 30% weightage for Collagen Peptide	15,40,000	up to 5	64,167	5.01 to 7.50	62.5	9,62,500	7.51 to 10	75	11,55,000	10.01 to 15	100	15,40,000	Above 15.01	120	18,48,000
Increase in Total Revenue of NGIL in current period compared to Board approved budget for the year	15,40,000	up to 5	64,167	5.01 to 7.50	62.5	9,62,500	7.51 to 10	75	11,55,000	10.01 to 15	100	15,40,000	Above 15.01	120	18,48,000
Total	**61,60,000**		**2,56,667**		**62.5**	**38,50,000**		**75**	**46,20,000**		**100**	**61,60,000**	**120**	**73,92,000**	

ITEM NO.8 – APPOINTMENT OF MR. SAJIV K. MENON (DIN: 00168228) - NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

The Board of Directors of the Company at its meeting held on 21st June, 2024, on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Sajiv K. Menon (DIN: 00168228), as Non Executive Non Independent Director with effect from the conclusion of this Annual General Meeting in accordance with the provisions of the Companies Act, 2013 and is liable to retire by rotation.

The Company has received from Mr. Sajiv K. Menon (DIN: 00168228), the 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, intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of Sub-Section (2) of Section 164 of the Companies Act, 2013.

Mr. Sajiv K. Menon is a B. Tech in Chemical Engineering, PGDM (Fin.& Mktg) from IIM, Bangalore, and a Fullbright Scholar at Carnegie Mellon University, USA. Mr. Sajiv K. Menon had a long tenure of more than 32 years' experience in various capacities in Engineering and Chemical Industries before taking charge as Managing Director of the Company on 01.04.2014. He had served as Managing Director of the Company for a period of 8 years in his first term and more than one year in his second term which was with effect from 1st June, 2023.

It would be in the best interests of the Company to avail the services of Mr. Sajiv K. Menon especially while pursuing some of the legacy issues. The Company which he ably steered during his tenure as Managing Director can continue to utilise his insights.

Your Board of Directors at their meeting held on 21st June, 2024, on detailed consideration of the recommendations of Nomination and Remuneration Committee, recommends to the General Body of Shareholders, the appointment of Mr. Sajiv K. Menon as a Non-Executive Non-Independent Director liable to retire by rotation subject to such other approvals by the Statutory and Regulatory Authorities as might be applicable. Mr. Sajiv K. Menon 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 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 Mr. Sajiv K. Menon and his relatives, are in any way, concerned or interested in the said resolution.

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

The Companies Act, 2013 aims to ensure transparency in the transactions 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 appraisal/approval. Though strictly not warranting an approval under the tests prescribed and noted herein above 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 benefiting 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 01.10.2024 to 30.09.2025.

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

PARTICULARS OF RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED DURING 01.10.2024 TO 30.09.2025

(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)	Mr. Hidenori Takemiya	Director & Executive Officer, Nitta Gelatin Inc., Japan	Purchase/Sale/ supply of Goods	01.10.2024 to 30.09.2025	18000
	Mr. Kazuya Hayashi	Nominee of Nitta Gelatin Inc., Japan	Availing/ Rendering of Service		300
Nitta Gelatin NA Inc., USA (Subsidiary of the Promoter)	Mr. Hidenori Takemiya	Director & Executive Officer, Nitta Gelatin Inc., Japan	Purchase/Sale/ supply of Goods		12000
	Mr. Kazuya Hayashi	Nominee of Nitta Gelain Inc., Japan	Availing/ Rendering of Service		150
Bamni Proteins Ltd. (Subsidiary)	Mr. Praveen Venkataramanan	Managing Director, Nitta Gelatin India Ltd.	Purchase/Sale/ supply of Goods		8000
	Mr. Sahasranaman P	Chief Financial Officer	Availing/ Rendering of Service		

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
21.06.2024

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ APPROVAL OF TERMS OF APPOINTMENT

Name	Mr. E. Nandakumar	Mr. Praveen Venkataramanan	Mr. Kazuya Hayashi	Mr. Sajiv K. Menon	Mr. Hidehito Jay Araki
DIN	01802428	10607119	10620706	00168228	02517509
Age (Years)	72 years	52 years	55 years	64 years	66 years
Nationality	Indian	Indian	Japanese	Indian	Japanese
Date of initial appointment	02.08.2019	04.08.2024	10.05.2024	01.04.2014	04.08.2024
Qualification	B.tech in Chemical Engineering and MBA	B.Com, CMA, PGP Max (EMBA)	Bachelor of Agriculture	BTech in Chemical Engineering, PGDM (Finance & Marketing) from IIM, Bangalore	Majored in Marketing from San Diego State University (USA).
Terms of remuneration	Nil	As per item No. 7	Nil	Nil	Nil
Terms and conditions of appointment or re-appointment	As per item No. 5	As per item No. 7	As per item No. 4	As per item No. 8	As per item no. 6
Remuneration last drawn	Nil	Nil	Nil	₹ 3,50,738/-	Nil
Number of Meetings of the Board attended during the year	5	NA	NA	5	NA
Expertise	30 years' experience with Oil Refinery, Petrochemicals and gas processing	More than 25 years of experience with international exposure (Asia, Africa and Latin America) in P & L management, new business development, strategic supply chain initiatives and business course correction.	More than 30 years of experience in Nitta Gelatin Inc, Japan and presently occupies the post of Director and General Manager of General Management Division in NGI.	Managing Director of NGIL for a period of 8 years in the first term and more than one year in the second term. More than 32 years of experience in various capacities in Engineering and Chemical industries before taking charge as Managing Director of NGIL.	Industry experience of about 38 years across the globe. He has previously held the position of CEO and MD in ADK Fortune Communications Private ltd. He has also served as Independent Director for JTEKT India Ltd. He is the officially appointed India representative for Osaka Business Development Agency.
Other Directorships excluding Foreign Companies	Bamni Proteins Limited	Nil	Nil	Chairman and Director of Bamni Proteins Ltd. - subsidiary.	Uno Mindarika (P) Ltd. Rex Industries (P) Ltd. Sekusui Chemicals (P) Ltd. Uno MInda Katlec Electronics Services (P) Ltd. Ogura Clutch India (P) Ltd. Uno Minda Tachi- S Seatting (P) Ltd. Nitta Corporation India (P) Ltd. Sanko Shoji India (P) Ltd.
Member/Chairman of Committees of other Companies	Member of Audit Committee in Bamni Proteins Limited	Nil	Nil	Nil	Nil
Relationship, if any, between Directors, Manager and Key Managerial Personnel interse	Nil	Mr. Praveen Venkataramanan, Mr. Hidenori Takemiya and Mr. Kazuya Hayashi, Directors are nominees of the Promoter viz Nitta Gelatin Inc, Japan.	Mr. Kazuya Hayashi, Mr. Praveen Venkataramanan and Mr. Hidenori Takemiya are nominees of the Promoter viz Nitta Gelatin Inc, Japan.	Nil	Nil
Shareholding in the Company	Nil	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 48th Annual Report and the audited financial statements of your Company for the year ended 31st March, 2024.

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, 2024 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.

PERFORMANCE

Record Profits

Your Company recorded the highest profit in its history during the financial year 2023-24 based on robust demand for all its products and the equity enjoyed by the Company amongst its customers, backed by strong internal processes.

The gross revenue from operations of your Company during the year under review was ₹ 472.97 Crores as compared to ₹ 486.75 Crores in the previous year. Profit before tax was ₹ 109.88 Crores as against ₹ 78.08 Crores in the previous year, registering a growth of 41%. There was an increase in sales realisation per unit of Gelatin in line with the global prices with the growth in its demand worldwide. The price of the by-product Di-Calcium Phosphate has decreased slightly during the year, due to easing of demand from the poultry sector. The increase in price of raw material Crushed Bone and Hydrochloric acid continues to place the industry under pressure.

Economic Scenario - Domestic and Global Market

Earning the nickname "pharmacy of the world," India's pharmaceutical industry is on a major upswing. While it serves its own domestic needs, it also plays a critical role on the global stage. Indian companies control over 20% of the world's pharmaceutical supply chain and a staggering 60% of the global vaccine market. They are a major source of affordable medications, supplying 40% of generic drugs in the US and a quarter of all medicines in UK. This remarkable transformation has made India a driving force in global healthcare advancement. Lower labour costs, efficient manufacturing and economies of scale allow Indian firms to offer competitive prices. Additionally, the industry's sheer size and diversification make it adaptable and resilient. This allows them to cater to a wide range of needs and weather market changes effectively. Maintaining this global leadership requires a strong foundation. Robust supply chains are essential to meet strict regulations, ensure high-quality products and overcome logistical challenges. India's pharmaceutical industry is well-equipped to address these demands and solidify its position as a global healthcare leader.

Plant utilization at full capacity

The Company was able to run its Gelatin plant at its full capacity during the year 2023-24, thanks to the growing demand for Gelatin and also to the successful efforts to streamline operations and maximize output.

Although our approach was to fully utilize the capacity, the Company could only operate its Collagen Peptide plant lower than its production capacity. To achieve full capacity utilization, we have been developing new markets such as Europe, UK, Turkey, Middle East, South East Asia, Asia Pacific etc. including offering improved high functional products.

However, the economic slowdown in the South East Asian Markets and competition from other hide Collagen suppliers limited our sales, but we are expecting better results in the coming years. The low prices of Bovine hide Collagen in the market have made us face adversities in competing with current market prices.

Raw Material scenario

The availability of Crushed Bone (CB), which is the major Raw material for manufacture of Gelatin has been fluctuating during the year. With most Gelatin companies operating to full capacity, there has been an increase of CB prices. Compared to South India, the increase was higher in other parts of India. Slow movement of Bone meal, which is a byproduct of the CB industry has also led to the vendors expecting a higher price for CB, to make up this drop in their profitability.

Though the availability of good quality CB at reasonable cost has been a challenge during the financial year, our effective sourcing strategy minimized the impact. This included increased sourcing from South India for Ossein Division in Kerala, sourcing of CB from other parts of the Country for other units helped in controlling the freight and hence the overall landed cost. Company is taking steps to partner with CB suppliers inorder to improve the quality of raw material.

The availability and price of fish protein – the raw material required for manufacture of Fish Collagen Peptide was stable during the course of the year. The Company will be scouting for new sources in the coming year to ensure its increased raw material requirement.

Availability of Hydrochloric acid and hydrated lime was stable during the year. Price of lime was stable. Acid price increased compared to previous year due to volatility in caustic soda market.

Operations

(i) Apart from the price trends in respect of CB, acid prices have increased by 70%, significantly impacting the cost of production.

(ii) The per unit price realization has gone up by 13% for Limed Ossein, by 1% for Gelatin, a drop of 2% for Di-Calcium Phosphate, remained stable for Bovine Collagen Peptide and dropped by 13% for Fish Collagen Peptide. The price of raw material, fish protein for Fish Collagen Peptide has recorded a decrease of 17% during the year. Price negotiations with raw material suppliers and finished product customers are on to protect the margins. The weakening of Rupee against USD during 2023-24 as compared to 2022-23 has contributed to better sales realisation on exports.

(iii) The production of Gelatin has come down due to an accident and the consequent shut down taken in the month of September. The production levels of Ossein has come down due to lower demand and so also the bi-product Di-Calcium Phosphate. The overall production of Collagen Peptide has come down due to the drop in sales for the product.

(iv) The Company has developed alternate raw material sources and put in place innovative manufacturing technologies to improve the yield, cost and quality of Collagen Peptide.

(v) There was increase in power cost due to increase in tariff as well as higher production levels but the overall cost could be maintained at manageable levels for power 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. The price of coal has dropped significantly during the year under review on account of lifting of restrictions for exports from China to India.

(vi) The Company's efforts to create value from wastes by generating biogas from residual sludge for use as fuel has further gained momentum with the installation of Anaerobic Digester in Gelatin Division during the year. The operation of sludge dryer which could substantially reduce the volume of sludge for disposal has helped the Company in terms of reducing the attendant costs. Factory and Administration overheads increased marginally in line with the overall business environment.

(vii) With regard to finance cost, the Company could effectively leverage low cost foreign currency loans by negotiating with the Banks and inducting Banks that provide working capital funds at attractive rates. Interest rates for USD denominated foreign currency loans have gone up with the new framework with the benchmark as SOFR. The Company is now availing foreign currency loans in alternate currencies such as JPY etc. to reduce the over all interest costs.

(viii) Against this backdrop, your Company exercised close monitoring and strict control over each significant element of cost and achieved improved profitability notwithstanding the higher costs incurred due to various reasons as described above.

ix) The products of your Company continued to enjoy robust market demand during the year under review. The entire sale of Ossein/Limed Ossein, 39% 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 NITTA Group. The Company has taken steps to further improve the demand for Collagen Peptide by venturing into new markets and by offering high functional products.

x) The Pollution Control Board has renewed the validity of the Consent to operate upto 30th June 2028 for 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 23rd May 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) Various power reduction initiatives are conducted across units such as installation of energy efficient IE3 motors, installation of VFD for motors, installation of Solar lights etc.

ii) The Company has installed an Anaerobic Digestor with automated biogas pumping system & Volute Sludge dewatering system for ETP sludge filtration in Gelatin Division. This will equip the Company to meet the required environmental standards as stipulated by the Pollution Control Board in view of the changed scenario.

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 sudden developments affecting water availability, though to a limited extent.

iv) The Company continues to maintain the Miyawaki forest, a technique leading to thick growth of trees in a measured area and thereby ensures its commitment to green aspects of the environment.

v) The Company has installed a Polyhouse in both Ossein and Gelatin Division for sludge drying to save on energy requirement.

vi) The Company continues to develop green belts and has developed 4.36 hectares (45%) of green belt in and around the factory premises out of total 9.7 hectares of total industrial area with varieties of plant species at its Ossein Division.

FINANCIAL HIGHLIGHTS

The operations of the Company for the year 2023-24 have resulted in a pre-tax profit of ₹ 109.88 Crores (as against a pre-tax profit of ₹ 78.08 Crores) during the year 2022-23. Details are as under:

(Amount in ₹ Crore)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sales (including export incentives and net of GST)	472.97	486.75
Other Income	16.67	5.31
TOTAL	**489.64**	**492.06**
Net Profit before Depreciation	123.96	91.27
Deducting therefrom:		
Depreciation	14.08	13.19
Provision for Tax		
- Current Tax	24.25	22.76
- Income Tax relating to earlier years	0.45	-
- Deferred Tax	2.70	(3.44)
Profit after Tax from continuing operations	82.48	58.76
Other comprehensive income/(loss) net of tax	-	0.09
Total comprehensive profit for the year	82.48	58.85
Profit brought forward from previous year	72.29	32.96
Current Year's Profit available for appropriation	82.48	58.76
Appropriations:		
Final dividend on equity shares - paid	6.80	3.63
Total	**6.80**	**3.63**
Transfer to General Reserve/Other Reserves	-	15.80
Balance profit carried forward to next year	147.97	72.29
Earnings per share (₹)		
Basic	90.85	64.72
Diluted	90.85	64.72

DIVIDEND

Considering the Company's performance, the Board has recommended a dividend of ₹ 6/- per share i.e. 60% of the face value of ₹ 10/- per share on the Equity Capital for the year ended 31st March, 2024. The Board has also recommended 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, 2024. 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 ₹ 578.75 Lakhs (₹ 725.93 Lakhs in the financial year 2022-23) comprising of ₹ 34 Lakhs on Preference Shares (₹ 44.99 Lakhs in the financial year 2022-23) and ₹ 544.75 Lakhs on Equity Shares (₹ 680.94 Lakhs in the financial year 2022-23).

During the year, unclaimed dividend of ₹ 3,21,272/- pertaining to the year 2016-17 shall be transferred to the Investor Education & Protection Fund after giving due notice to the members.

RESERVES

The Company has transferred an amount of

₹ 1,580.00 Lakhs as Capital Redemption Reserve upon repayment of the Convertible Preference Shares during the previous year as part of statutory 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 31.03.2024 comprises of Security Premium Reserve of ₹ 2,895.90 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 ₹ 1,580 Lakhs, Retained earnings of ₹ 14,796.85 Lakhs, Capital Reserve of ₹ 2,750.62 Lakhs, Hedge Reserve of ₹ 2.19 Lakhs and other comprehensive loss of ₹ 272.34 Lakhs aggregating to ₹ 30,653.29 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, 2024 and such loans, guarantees and investments are within limits prescribed under that Section.

CREDIT RATING

The Rating agency CRISIL has **revised the outlook** on the long term bank facilities to **"CRISIL A-/ watch Developing (placed on "Rating watch with Developing Implications) from "CRISIL A-/Positive".** The short term rating has been "CRISIL A2+/- watch Developing (placed on 'Rating watch with Developing implications"). This is consequent to stoppage of operations in subsidiary Company, Bamni Proteins Ltd. as detailed under the Heading - Subsidiary Company Bamni Proteins Limited.

AWARDS & ACCOLADES

During the year, NGIL received various recognitions like;

a) CII -Total Cost Management Division -TCM Award-2023, Merit Category (SME Champion).
b) MKK Nayar Productivity Award 2023 for the Second-Best Productivity Performance in the category of Large Industries.
c) Team from Ossein Division won a special jury award in KSPC Kaizen Competition.
d) Team from Ossein Division won SEEM Gold award 2022 under Category -Chemicals from Society of Energy Engineers and Managers.
e) Team from Ossein Division and Gelatin Division won Silver Award under Restorative Category in 47th CII National Kaizen Competition.
f) Gold Category Recognition from CII for BE maturity assessment programme-2023.
g) Ossein Division won Abhinandan Patra Award-2024 from National Safety Council, Kerala Chapter.
h) NGIL won KMA CSR Award -2024, Education category.

The following prestigious certifications are retained by your Company:-

(a) European Directorate for the Quality of Medicines & Health (EDQM) Certificate for Gelatin Division
(b) Drugs manufacturing license from DC, Govt. of Kerala.
(c) CAPEXIL plant approval certificate for the export of Ossein, Gelatin and Collagen Peptide.
(d) HACCP Certificate for Ossein Division for food safety.
(e) ISO 9001: 2015 for Quality Management System of the Company.
(f) FSSC 22000 V.5.1 Certification for Food Safety Management System.
(g) FSSAI License for manufacturing, import/export/retail/e-commerce of Gelatin, Collagen Peptide, Collagen Peptide retail products.
(h) WHO-GMP Certification as per World Health Organisation/Codex for manufacture of Gelatin & Collagen Peptide.
(i) USDMF for Gelatin gelling Grade & Non-gelling Grade.
(j) Chinese DMF for Gelatin.
(k) Halal (MUI, IFANCA & JUM)/Kosher Certification for Gelatin and Collagen Peptide – JUM Halal for Ossein & Di-Calcium Phosphate.
(l) ISO:IEC 17025:2017 NABL Accreditation for in-house laboratory of Gelatin Division.
(m) ISO 14001:2015 for Environment Management System.
(n) ISO 45001:2018 Certification for Occupational, Health and Safety Standards.
(o) ISO 50001:2018 Certification for Energy management system.
(p) Gelatin Division & Ossein Division passed the recent TPM SIGNIFICANT ACHIEVEMENT Certification Assessment-2023.

HEALTH, SAFETY AND ENVIRONMENT

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

1. Health and Safety

   The Company is committed to protecting the health and safety of its employees. The Company has a three-tier safety committee system including an Apex Safety committee chaired by the Managing Director. In addition to the Company's Head for Health Safety & Environment, each plant has a Safety Officer and a

Safety Committee, including workmen and executive representatives. The Committee meets regularly to review issues related to occupational safety and employee health. Regular health checkup of the employees is carried out through tie-up with reputed hospitals. Various training programs and Safety campaigns are conducted at the plant on health and safety topics including emergency preparedness, work safety, first aid, etc. Both Ossein and Gelatin factories have received the ISO 45001-2018 & ISO 14001-2015 certification, which is a testimony to the Company's commitment in this area.

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

- Various training & campaign programs were conducted to improve Occupational Health & Safety Awareness.
- An external comprehensive safety audit was conducted by Chola MS risk services at both Gelatin Division (GD) and Ossein Division (OD).
- Surveillance audit of ISO 45001-2018 completed at both OD and GD.
- Ossein Division received Safety award from National Safety Council - Kerala upon successful completion of Safety Audit.
- Fire license renewed at Ossein and Gelatin Divisions.
- Safety day/week celebrations were held at Ossein, Reva and Gelatin Divisions. Various programs, demonstrations and competitions were conducted.
- Mock drills were conducted for equipping the employees for handling emergencies at Ossein, Reva and Gelatin Divisions. Mock drill on confined space rescue operation was conducted in Gelatin Division.
- As part of the TPM (SHE pillars), various safety improvement initiatives and their reviews are conducted at OD & GD.
- Followed by an undesirable event resulting in a fatality in the Gelatin Division, rigorous safety enhancement initiatives have been implemented. These include establishing a dedicated storage area for empty chemical cans based on chemical compatibility, setting up an empty chemical can washing station, implementing a dedicated permit system for empty chemical can washing, conducting frequent refresher trainings at periodic intervals, providing training to migrant workers in local languages and displaying signage and information in the local language.

2. Environment

During the year, the Company has taken steps to develop the appropriate technology for the manufacture of high quality Degreased Crushed Bone by setting up a pilot plant in collaboration with a prospective Crushed Bone supplier. This project once completed will result in the reduction of impurity and other unwanted material content in Crushed Bone and is expected to reinforce the supply chain. Once this is found to be successful, it will be replicated with other potential suppliers which will greatly help the Company in terms of improving the overall productivity and managing the cost in an effective manner.

The Company continuously endeavors to enhance Environmental Management and demonstrates its commitment to protecting the environment through all activities. 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 Board. 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 ensured for its compliance. Company's 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 compared to previous years. 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 some of the other related activities:

- Surveillance audit of ISO 14001-2015 completed for Gelatin Division.
- ISO 14001-2015 initial certification done at OD.
- Environmental day celebrations conducted at Ossein, Reva & Gelatin Division.
- Volute Sludge dewatering system for ETP sludge filtration implemented in GD.
- Followed by the installation of Anaerobic Digestor, Biogas pumping automation implemented in GD for enhancing environmental and Safety performance.
- Conducted One Day ETP training for Pollution Control Board newly joined engineers.

- The Electrical street light replaced with solar lights in GD.
- Online continuous effluent monitoring system installed in GD.
- Various sapling plantations, drip irrigation, bamboo plantations, poly house renovation are done as part of Green Belt development in Ossein Division.
- ETP Chemical Consumption reduction initiatives done at Reva.

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 Company is committed to identifying and supporting programmes aimed at such of the sectors. The CSR Policy can be accessed on the Company's website
https://gelatin.in/uploads/homecontent/CSRPOLICY_20230210052849.pdf
The CSR projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013 which is given in **Annexure I.**

The total CSR expenditure incurred by the Company during the year of ₹ 81.73 Lakhs was in compliance with the statutory requirement of 2% of the average profit for the last three years amounting to ₹ 80.88 Lakhs (after set off of ₹ 12.02 Lakhs being expenditure incurred in last year over and above the mandatory limit available for set off). 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 ₹ 0.84 Lakhs to next year towards CSR expenses as per the provisions of the Companies Act, 2013.

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 2023-24.

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

Neither an application was made by the Company nor any proceeding is 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 and business decisions of your Company and is an important element of the overall corporate strategy. We stand committed to the path of Profitable, Sustainable and Socially Responsible Growth, keeping the interests of all our Stakeholders as our focus. We aim to grow and achieve higher returns even as we ensure an increased positive impact on the environment and the society at large while rededicating ourselves to the environmental, social and governance aspects. Simultaneously, we encourage involvement from all Stakeholders and ensure that our sustainable 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**
  Focus Area - Reduction in consumption of water, solid waste, power, fuel and plastic.
- **People Sustainability**
  Focus Area - Employees' safety, health, development, engagement, rewards and recognition.
- **Social Sustainability**
  Focus Area - Corporate Social Responsibility (CSR): education, training, health, women, sports, agriculture and waste management.
- **Economic sustainability**
  Focus Area: Cost reduction, supply chain efficiency 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 byproducts 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 proteins made from natural raw materials and contain neither preservatives nor other additives. They are thus natural and healthy food with a clean label that optimally meet 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 our complete business cycle through 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 is available 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, 2023.

SUBSIDIARY COMPANY

BAMNI PROTEINS LIMITED

The annual production during the year in the Subsidiary Company was 2277 MT of Ossein and 5129 MT of Di-Calcium Phosphate as against 2703 MT of Ossein and 6103 MT of Di-Calcium Phosphate during the previous year.

The Maharashtra Pollution Control Board (MPCB) vide their letter dt. 13.03.2024 have ordered stoppage of the factory operations with immediate effect. Based on a complaint filed by an NGO that the operation of the Company is causing pollution to the surrounding areas, the PCB officials had taken samples from the bed of a small canal adjacent to the Company and sludge samples from the canal embankment and observed that the quality of water was outside the limit prescribed in the PCB consent conditions. The Company has explained in their reply to their notice regarding the treatment system, the capital expenditure invested since the acquisition of the Company and its compliance with the land discharge conditions as laid down by the MPCB in the Consent letter.

The Company stopped CB charging with effect from 14th March 2024 and completed recovery of the Work In Progress (WIP) material based on an application for the same with MPCB. Subsequently, the inventory of materials was shifted to other manufacturing locations and plant cleaning, equipment maintenance and preservation is currently going on in the factory. Contract workers were discontinued from service, all workmen were ordered to work in day shift and factory security has been strengthened. Company's request for laying a pipeline to the nearest Vardha River to discharge the treated effluent has also been turned down by the Maharashtra Pollution Control Board clarifying that the Board is not granting permission for discharge of treated industrial effluent into water body as a precautionary principle. The Company is now evaluating evaporation and drying of Calcium Chloride with zero liquid discharge. A cost effective solution has to be found out along with a value yielding application for Calcium Chloride to make the operations viable.

Action Plan by the Management for restarting the operations

The Company is currently evaluating the various options for restarting the operations on a sustainable basis and the associated capital expenditure.

Proposed interim arrangement

In view of the near term uncertainty regarding Bamni's operations, it is proposed to permanently close the factory with retrenchment of employees as per applicable regulations. Some of the employees can be redeployed to other locations of the Company based on requirements. Once operations restart, preference will be given to retrenched staff for employment.

Liquidity assessment

The Company's financials are strong enough for meeting the current obligations including working capital borrowings from banks. There is no concern in respect of liquidity for meeting the short term obligations. The surplus cash available with the Company will enable it to meet most of the capital commitments that might arise as detailed above.

Impact on NGIL's supply chain and proposed action plan

In view of these sudden developments, the Company has redrawn the plan for FY 2024-25 with minimal impact on supply chain by increasing the production levels at Ossein Division and Reva Division (to the extent capacity is available) and hiking hide Gelatin production.

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.

In view of the significant uncertainty regarding resumption of operations of the unit, the Company has prepared the financial statements on a basis other than going concern basis with attendant accounting principles thereto.

The operation of this Subsidiary for the year under review has resulted in a pre- tax profit of ₹ 1,307.42 Lakhs (₹ 2,634.07 Lakhs in the previous year), post-tax profit of ₹ 830.57 Lakhs (₹ 2,033.29 Lakhs in the previous year) and other comprehensive loss of ₹ Nil (loss of ₹ 4.92 Lakhs) during the previous financial year.

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 has 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 to the Shareholders of the Company and Subsidiary Company seeking such information at any point of time. The annual accounts of the Subsidiary Company shall also be made available for inspection by any Shareholder at the Registered Office of the Company and the Subsidiary Company. 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.

COMMENT ON STATUTORY AUDITORS' REPORT

I. In relation to the Independent Auditors' Report on the Internal Financial Controls with reference to financial statements on the consolidated financial statements for the year ended 31.03.2024 vide para 3 of their audit report it is reported that

   a. On the lack of sufficient appropriate audit evidence with respect to the assessment of the Property, Plant and Equipment – of Subsidiary Company, Bamni Proteins Limited – the Company has disclosed ₹ 774.82 Lakhs as the value of Property, Plant and Equipment based on its historical costs as adjusted to accumulated depreciation. The Company has got the value of the land valued by an independent registered valuer who have determined the value at ₹ 1485.40 Lakhs.

   b. On the comprehensive assessment of potential impact of non-compliance with applicable pollution control norms and conditions under various relevant laws and regulations of the said Company – the Company has assessed the potential impact of non-compliances, if any, under various laws and regulations including environment laws and labour laws as applicable and potential impact has been assessed and provided for in the financial statements.

II. On the Independent Auditors observation regarding the adequacy of maintenance of books of accounts vide para 17 (h)(vi) of their report on standalone financial statements, in terms of exceptions for enabling audit trail feature in the SAP/Zoho software application of the company, it is stated that:-

   The SAP application will never allow direct Database (DB) access/changes to any of its databases. All the DB access or Database table access will be established through the SAP application only.

   ZOHO books is used by customers across the globe. Zoho Books maintains a log of every change made to a record in the application, such as a contract, sales or purchase transaction, invoice or bill, journal, or even a setting. Along with the nature of the change, it also saves the timestamp and the details of the user who performed the action. The audit trail in Zoho Books provides details on the 4 Ws: when, where, what, and who. When – The date and time an action was performed. Where – The module under which the action was performed. This can be Invoices, Bills, Bank Feeds, Expenses, or any other module under Zoho Books. What – A description of the action that was performed, such as creating an invoice, editing line items on the invoice, or updating the contents of a bill. Who – The user who performed the action. If a record is changed multiple times, the audit trail shows every version that has been created, not just the most recent. The user can compare multiple versions and track specific data that has been added, removed, or modified. The management has tested the audit trail feature available in ZOHO and found to be satisfactory and are yet to receive the Independent Service Auditors Assurance Report. The company has started using ZOHO books from March 2024 only with exposure to a very limited extent.

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	During audit, it is found that the Hon'ble Additional Chief Judicial Magistrate and Judge (CD), Labour Court, Bharuch, Gujarat has convicted the Company and Managing Director under the Minimum Wages Act,1948 and the Minimum Wages (Gujarat) Rules,1961 vide its order dated 09.12.2023 in two separate cases CC No.537/2023 and CC No. 538/2023 and levied a penalty of ₹ 12,000/- and ₹ 4000/- respectively for not complying with Rule 26(d), Rule 26(2), Rule 26(b)(1) and Rule 22 of the Minimum Wages (Gujarat) Rules,1961 r/w Section 18 of the Minimum Wages Act,1948 for Reva Division. The Board of Directors is advised to ensure compliance with respect to the provisions of the Minimum Wages Act,1948 and the Minimum Wages (Gujarat) Rules,1961 for its Reva Division at all times to avoid conviction and imposition of penalties in this regard in future including strengthening the systems and processes to monitor and comply with the labour laws with regard to Reva Division. Further, the disclosure for the same under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 to BSE Ltd was made with delay of 81 days. The Board of Directors is advised to ensure the timely reporting to BSE Ltd in future.	Minimum Wages Act,1948 and The Minimum Wages (Gujarat) Rules,1961 for the Reva Division have been complied with; However all the required records could not be produced on time, since the mail communication in this regard from the Labour department was not acted upon due to oversight. The Company was of the bonafide opinion that the amount paid was a fee as advised by the lawyer. Subsequently, a Court Order was received, on examination of which only, it was known that the amount was a penalty. The Company was duly maintaining all the records and was of the opinion that the charges will be dropped.

COLLABORATORS

The Collaborators of your Company continue to be the relentless source of support and guidance for the Company in each of its key initiatives. Their patronage in areas of financial support, product development, marketing, quality improvement and training of personnel has contributed significantly to the growth of the Company. Nitta Gelatin Inc., Japan has provided guidance and considerable 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.

INTERNAL CONTROL SYSTEM

ADEQUACY OF INTERNAL CONTROL SYSTEMS

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 Company has not placed 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.

In addition, Concurrent Auditors have been appointed and for the current year have reviewed and reported on the procedures and process followed relating to procurement of Crushed Bone, Hydrated Lime, Firewood & Coal at Ossein Division & Reva Division, which were identified to be high risk areas which can potentially cause financial loss to the Company. Concurrent Auditors are reviewing the transactional details relating to procurement, storage and consumption relating to the above materials and reporting to the management for review and corrective actions. The corrective actions suggested by the Concurrent Auditors are implemented in a timely manner for arresting value leaks and for enabling overall strengthening of the internal control procedures prevailing in the organization.

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 in the Company 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 systems 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 Sub-Committee comprising of Senior Management Personnel to develop and implement a Risk Management system including identification therein of elements of risks which in the opinion of 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 its cost trend.
- Impact of the high cost of Crushed Bone on the cost of production and therefore the competitiveness of the end products.
- safety and security policies of the Company.
- Project management related risks.
- Emerging substitutes for Gelatin.
- Financial fidelity risks.
- Cyber security risks.
- 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.
- Losing pricing premium commanded by the Company due to emergence of alternate Halal certifications.
- Sludge disposal.
- Potential loss of fish CPT business in India due to non-availability of raw material within India.
- Fraud Risk Assessment Study.

In view of the recent frauds reported in some of the critical areas of its operations, the Company has appointed M/s. Protiviti Consulting, Bangalore who are a prominent fraud risk assessment agency having extensive experience in conducting similar studies across the Country for doing an independent study of the systems and processes prevailing in the Company and report on fraud risk possibilities/ indicators. They have had extensive discussion with the functional heads of the Company at its various units and have submitted a detailed fraud risk register/fraud risk indicators to the Company. The Company is now evaluating the fraud risk parameters identified by the said consulting agency and is in the process of finalizing corrective actions to mitigate the probable risk involved in the relative processes with the corrective actions in place, it is expected that the Company could ward off any such risks.

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

As already reported during the last year, regarding a forensic investigation on the basis of an alleged wrong doing by one of our employees at Ossein Division, the Company has suspended the said employee from the services of the Company and has further strengthened the internal control procedures relating to weighment of Crushed Bone in terms of an automated weigh bridge with no manual operations and integration with SAP without any manual intervention for weighment related data. The police investigation is currently on for recovery of the amount from the employee concerned. Company continues to enhance its surveillance procedures including installation of CC TV cameras in relevant critical areas to enable avoidance of any potential wrong doing in future.

In view of the fraud reported on CB procurements in FY 2022-23, the Company has appointed a reputed Fraud Risk consulting organization to review the systems and processes existing in the Company in its various critical function areas. The said organization has reviewed the processes and procedures and has held extensive discussions with the department/functional heads and has submitted a detailed report consisting of potential fraud risk register and early warning signals for key risk indicators in various functional areas. The management is in the process of reviewing the systems and processes relating to items identified as fraud risk areas by the consulting organization and to suggest counter measures to be implemented to avoid any fraud that could potentially occur in the process areas. This shall be completed during the course of the current financial year.

RESPONSIBILITY STATEMENT OF DIRECTORS

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in respect of the Company 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, 2024, 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 2024 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 Secretarial 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. Sajiv K. Menon was appointed as the Managing Director of the Company on 01.06.2023 in place of Mr. Philip Chacko M who resigned from his office on 31.05.2023.

Mrs. Shirley Thomas was appointed as an Independent Director on 08.05.2023. The Board is of the opinion that Mrs. Shirley Thomas possess integrity, relevant expertise and experience which will benefit the Company in the long run.

Mr. Yoichiro Sakuma resigned from the post of Independent Director on 30.09.2023 and Mrs. Radha Unni ceased to hold the office of Independent Director on 03.12.2023 upon attaining 75 years.

Dr. Shinya Takahashi was reappointed as Whole Time Director designated as Director (Technical) for a period of one year with effect from 07.05.2023 which was approved by the shareholders at the Annual General Meeting held on 4th August, 2023. His term ended on 07.05.2024.

The Board of Directors had constituted a Nomination and Remuneration Committee (NRC)which was reconstituted with effect from 10.11.2023 with the following members:

1. Mr. E. Nandakumar (Chairman)
2. Prof. (Dr). M. K. Chandrasekharan Nair
3. Mrs. Shirley Thomas

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

The terms of reference of the NRC are as follows:

1. The NRC shall identify persons who are qualified to become Directors and who may be appointed in senior management 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 quality 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 which was reconstituted on 10.11.2023 and consisting of the following members:

1. Mr. V. Ranganathan (Chairman)
2. Mrs. Shirley Thomas
3. Mr. E. Nandakumar

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

INDEPENDENT DIRECTORS

Independent Directors of the Company have given a declaration 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 16 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 elsewhere, it is brought to the notice of shareholders that Mr. P. Sahasranaman continues as Chief Financial Officer (CFO) and Mr. Vinod Mohan continues as Company Secretary.

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 14.12.2023, evaluated the performance of the Directors other than themselves which is followed by an evaluation made by the Board in the presence of the Chairman, at its Meeting held on that date. The evaluation found each of the Directors to have requisite qualification, expertise and track record for performance of their duties as envisaged by law.

MEETINGS

The Board of Directors met 5 (Five) times during the financial year 2023-24 on 08.05.2023, 29.05.2023, 04.08.2023, 10.11.2023, and 08.02.2024. 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 the 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 / N500013) who were appointed as Statutory Auditors of the Company for a 5 year term at the Annual General Meeting held in the year 2017 were re-appointed by the Board of Directors at their meeting held on 07.02.2022 on the basis of recommendation of the 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.

SECRETARIAL AUDIT

Pursuant to the provisions of 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 the 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 the year. On this occasion, your Board thanks all the customers, suppliers, bankers and other associates for their co-operation.

Sd/-

APM MOHAMMED HANISH IAS
CHAIRMAN
DIN: 02504842

Kochi
10.05.2024

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Gelatin is a translucent, colorless, flavorless food ingredient derived from Collagen, which is a natural protein found in the skin, bones and connective tissues of animals, typically cows or pigs. Gelatin is not available in nature; it is derived by hydrolyzing Collagen. Gelatin is soluble in hot water and forms a gel-like substance when cooled. It finds its application in food industry, pharmaceuticals, photography, cosmetics and various industrial applications. Gelatin finds various applications in the pharmaceutical industry due to its unique properties. It is commonly used as a coating for tablets and capsules, helping to improve their appearance, stability and swallow ability. Gelatin coatings can also mask unpleasant tastes or odors of drugs and facilitate controlled-release formulations. In addition, Gelatin serves as a key component in the production of softgel capsules, which are widely used for delivering liquid or semi-solid medications.

The global Gelatin stood at approximately 500 thousand tonnes and now anticipated to grow at a CAGR 4.09% volume with respect to the forecast period until 2034. This growth is likely to be driven by the increasing use of softgel capsules, the second most preferred method for delivering medications and supplements. In 2023, capsules accounted for 22.2% of the new drugs approved by the FDA. While the empty capsule market is anticipated to reach USD 5.76 Billion by 2032, with a CAGR of 6.7%, the global softgel capsule market is forecast to reach around USD 1.5 Billion by 2028, with a CAGR of 6.3%. Softgel capsules are a valuable tool for both medications and supplements. They effectively mask unpleasant tastes and odors, making them easier to swallow. For some medications, softgels can even improve how well the body absorbs the active ingredient. This is particularly beneficial for medications that are difficult to formulate into tablets. Softgels also shine in their ability to deliver liquids and semi-solids, making them ideal for oil-based ingredients. Perhaps, the most user-friendly advantage is that many people find softgels easier to swallow due to their smooth and flexible texture.

The global Collagen market size reached USD 10.0 Billion in 2023. It is expected that the market reach USD 16.9 Billion by 2032, exhibiting a growth rate (CAGR) of 5.8% during 2024-2032. The increasing product utilization in the food and beverage industry, growing demand for Collagen in cosmetics and personal care products and extensive research and development activities are some of the major factors propelling the market.

Bovine is dominating the Collagen market owing to its abundant availability, which ensures a stable and consistent supply for manufacturers. Furthermore, bovine Collagen offers a high degree of structural similarity with its human counterpart, thus making it a suitable choice for various applications, including food processing, skincare, and hair care. Apart from this, Collagen sourced from bovine is highly cost-effective, which contributes to its large-scale production and applications across various industries. Moreover, there is an increasing demand for Collagen sourced from bovines as it exhibits excellent compatibility with different formulation processes.

The increasing awareness among consumers regarding health and wellness is one of the factors catalyzing the market growth. Collagen is widely consumed to provide support to structural muscles and strengthen skin, bones, tendons, ligaments, cartilage and blood vessels. In addition, the growing product utilization in health supplements and nutraceuticals owing to the increasing consumer participation in sports and allied activities is favoring the market growth. Furthermore, the rising product adoption in the pet care industry to improve the joint health, mobility, and overall well-being of dogs, cats and other animals is supporting the market growth. Apart from this, the growing demand for natural and sustainable ingredients that offer better health benefits compared to synthetic alternatives is contributing to the market growth. Other factors, including rising geriatric population, widespread product availability across online retail stores, the increasing prevalence of lifestyle diseases and the growing demand for natural and sustainable ingredients are anticipated to drive the market growth.

Segment-wise Performance

Indian capsule manufacturers have been capitalizing on several factors like Compliance-driven approach, focus on Specialties Strategic Partnerships to gain a foothold in regulated markets, which are Countries with stricter quality and safety requirements for pharmaceuticals and nutraceuticals. By strategically combining these approaches, Indian manufacturers are making significant inroads into regulated markets. Their cost-competitiveness, growing compliance focus and adaptability to market trends position them for continued growth. The Company was able to capitalize on this demand which led to operate its Gelatin plant in its full capacity during the year 2023-24.

Due to the rapid growth of the nutraceutical business, Collagen also exhibits significant promise in the home market. We were able to increase our domestic and export revenue during the year 2023-24.

Poultry prices, which dipped during April-August due to religious festivals, had risen again due to increased egg exports. This reversal is driven by several factors:

- Reduced bird population: Two Hindu religious periods lowered demand, affordability, especially for low-income consumers. Additionally, hot temperatures and erratic rainfall led to higher bird mortality and increased feed costs. This resulted in a smaller flock size.
- DCP demand slump: With fewer birds to feed, the

demand for Di-Calcium Phosphate (DCP), a poultry feed supplement, remained sluggish compared to the previous year.

- Increased competition: Rising imports and the availability of substitutes like MCP, rock Phosphate, and fishmeal further dampened DCP sales.

  Overall, these factors have contributed to a decline in DCP revenue compared to the previous year.

Exports
Export of Ossein to Japan in 2023-24 quantity wise was less than in previous year due to less demand from NGI. Ossein Export revenue decreased vis-a-vis previous year due to the reduction in sales quantity and Transfer price.
In the case of Gelatin, the export sales were less than expected due to economic slowdown in certain countries and surplus Gelatin in US market.

Collagen Peptide export revenue was higher than in the previous year due to higher volume.

Domestic Market
The domestic demand for Gelatin is showing high growth trend as India is strengthening its identity as a pharma and nutraceutical manufacturing hub. Collagen also shows great promise in domestic market as the nutraceutical market in India is showing strong growth. In the case of DCP, the revenue has dropped compared to the previous year due to lower volume and competition from alternatives such as MCP, rock Phosphate, fish meal etc. Furthermore, due to the price reduction by competitors in the DCP market, the Company was forced to reduce the price as well.

Opportunities and Challenges

Growing Pharma Market in India
Indian Gelatin Market is poised for growth for capsule application.

Rising demand for pharmaceuticals: The Indian pharmaceutical industry is experiencing significant growth, which directly translates to a rise in demand for Gelatin capsules used for medication.

Shifting consumer preferences: There's a growing interest in nutraceuticals and dietary segments. Gelatin capsules are a popular choice for packaging these products due to their tastelessness, odorlessness and ease of swallowing.

There are some challenges, though mainly, the rising cost and scarcity of raw materials for Gelatin production and glut in market due to surplus supplies of bovine hide Gelatin could affect the market's growth. The increasing popularity of plant-based Gelatin alternatives also poses challenges in markets like India. However, the future looks promising for the Indian Gelatin capsule market.

Expanding Indian Nutraceutical Industry
The Indian nutraceutical market was valued at USD 4 Billion in 2020 and is expected to grow by 20% annually, reaching USD 18 Billion by 2025. The nutraceutical market thrives due to a confluence of factors. Time-crunched lifestyles make it challenging to maintain balanced diets and concerns linger about the declining nutritional value of modern food compared to historical norms. The rising importance about preventive healthcare ignited by the pandemic during the commencement of this decade has led to the exponential growth of this sector.

Although there was a brief downturn after the pandemic, industry executives agree that more has to be done to support and grow this field. India's growing belief in immunity-boosting supplements has driven a shift in consumer healthcare choices. This is evident in the rising popularity of convenient formats like vitamin capsules, chewable tablets and gummies.

Soaring health consciousness among India's urban citizens is fueling a boom in the nutraceuticals industry, with the market poised for significant growth.

The Indian dietary supplements market is expected to reach approximately USD 10 Billion by 2026 from USD 4 Billion in 2020, with a 22% year-on-year growth rate. The Vitamins & Minerals market is also expected to surge, reaching a revenue of USD 2.63 Billion by 2024, with an estimated annual growth rate of 7.71% from 2024 to 2028.

The formation and expansion of the nutraceutical industry in India is probably going to help the Collagen Peptide market flourish. The hottest ingredient in newly developed products for women's health, fitness, nutrition and healthy aging is Collagen Peptide. The industry is unable to ignore the demand for a component with ample clinical data and several health benefits. The Wellnex line of goods from the Company now has a lot of prospects. A growing emphasis on health consciousness is causing consumers to spend more money on nutritional supplements that maintain and strengthen their immune systems.

India's Collagen market is driven by the various applications of Collagen in the end-user industries, including supplements, beauty and personal care and food and beverages, among others. Collagen-based products, on the other hand, are consumed across the Country, not only as beauty supplements but also as effective supplements to deal with physical ailments for consumers with osteoarthritis, arthritis and other bone and joint health ailments. The high demand for healthy foods, especially skin-boosting foods, has surged in India over the past few years. Among all the nutrients and proteins, Collagen-based products have been gaining traction across the nation. Hence, the rising demand for fortified food and beverages is expected to drive the demand for Collagen and other such ingredients.

Raw Material Sourcing
The availability of Crushed Bone, which is the major Raw

material of the Company has been fluctuating during the year. Particularly in the second half of the year, there was a significant reduction in availability driving an increase in Crushed Bone prices. Apart from South India, Crushed Bone price increase was more in other parts of India. During this period, the slaughtering rate was lower which continues to remain at that level which is impacting the availability of Crushed Bone. The slow movement of Bone meal, which is a byproduct of Crushed Bone has also led to price pressure in domestic Market. Quality improvement due to stringent PCB norms has also been a challenge during the period.

Due to the reduction in global Gelatin price and demand, the price of Gelbone globally reduced significantly during the second half of the year. This opportunity was utilized to import/purchase Gelbone, which has helped to reduce our dependency on domestic raw materials. The Company was able to maintain adequate levels of raw material inventory at all our manufacturing locations.

Considering the domestic Crushed Bone availability scenario, the Company is exploring more possibilities of Importing cost competitive Gelbone in future.

Risks and Concerns

There exists a Risk Management Sub-Committee of executives which meets on a periodic basis for identification of major risks and mitigation plans thereof.

Internal Control System

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations.

Reducing Carbon Foot Print

The activities towards Carbon footprint reduction done during the year 2023-24 are as under:

1. Gelatin Division-
    a. Specific power consumption reduced in 2023-24 through the installation of high-efficiency IE3 motors, installation of VFD in motors.
    b. The Electrical Street lights replaced with solar lights.
    c. New Energy efficient Cooling tower installed for compressor.
    d. Hide pit top insulation ongoing which will give significant impact in energy reduction.
    e. Followed by the installation of Anaerobic Digestor, Biogas pumping automation implemented.
    f. Installation of Higher capacity Drum type wood chipper which will give efficiency improvement and fuel consumption reduction.
    g. Usage of Bicycles for the movement inside the factory.
    h. Volute Sludge de-watering system for ETP sludge filtration implemented.
2. Ossein Division -
    a. Poly house installed for sludge drying
    b. Solar lighting installed in plant premises.
    c. Newly energy efficient IE3 motors installed.
3. Online meetings- Inter-division travel by employees for meetings is avoided by using digital media for online meetings.

Outlook

Gelatin market is currently shifting towards a buyer's market, as there is a high supply of Gelatin especially from Bovine Hide and low demand. This has caused Gelatin prices to drop quickly in recent quarters.

The main reason for this is demand for Collagen, a key raw material in Gelatin production, has plateaued. While there is still strong demand for Collagen, it is not growing at the same rate as it has been in recent years. This has resulted in more Collagen available to be used for Gelatin production.

This is likely to continue in the near future, as there are no major factors that are expected to cause demand for Gelatin to increase. NGIL is making concerted efforts to revisit untapped/previously exited markets, to offer quality Gelatin competitively to ensure that the capacities are filled efficiently and create pathways for growth in consultation with Group Companies' sales officers and marketing partners.

Prices of Bovine Collagen Peptides are also softening. The gap between Collagen Peptides and Gelatin prices are narrowing and in some cases, overlapping. The health claim fish Collagen market in Asia is experiencing a downturn. This shrinkage follows a period of intense focus on R&D by many brands to meet earlier consumer interest in health claims. The resulting saturation of the market with similar products makes it challenging for Companies to survive.

The Red Sea crisis continues to impact global shipping. The disruption has caused delays, increased costs and disrupted supply chains, affecting major shipping channels and global trade routes. As a result of these incidents, the volume of maritime traffic in both the Red Sea and the Suez Canal have dropped by 80% compared to pre-crisis levels. Due to the rerouting of ship along the Cape of Good Hope in South of Africa, the transit times has risen significantly higher than normal, which leads to our customers in the western world depend on other nearby suppliers for faster deliveries. The Company has taken measures to deal with such a scenario by taking the orders much earlier, effective forecasting and pre planning the production accordingly and building sufficient inventories in this market to service them better.

Bovine hide raw material suppliers are entering into the Collagen Peptide manufacturing themselves and they are adding capacities. This leads to the adversity of Company competing with reducing market prices of Hide Collagen.

The Company plans to find good and competitive raw material sources and explore new and yet untouched markets with scope to grow.

The Collagen industry faces a confluence of challenges in the near future. Shifting consumer priorities during a potential economic downturn, evolving regulations driven by environmental concerns, volatile raw material costs due to geopolitical tensions and anticipated economic instability are all pressing issues. To navigate these complexities, the Company will strategically invest in acquiring new technologies, securing sustainable and ethically sourced raw materials, optimizing procurement and inventory management, expanding product portfolio and maximizing the existing capabilities to ensure continued growth.

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. Hence, the Company intends to make market based strategies to overcome them to effectively penetrate into new markets.

The Company needs to be more cautious of global economic slowdown. The Red Sea crisis, introduction of new players and the risks of stagflation envisaging numerous market scenarios are pressing the need for Collagen industry players to be more vigilant and forward-looking.

Financial Performance

The financial results of operations of the Company for the year under review are detailed under the caption performance forming part of the Directors' Report. As per the same, the Company's operations have resulted in a pre-tax profit of ₹ 109.88 Crores for the current year as against pre-tax profit of ₹ 78.08 Crores for the previous financial year. The post-tax profit for the current year is ₹ 82.48 Crores as against post tax profit of ₹ 58.76 Crores for 2022-23. Other comprehensive loss (net of tax) for the current year is ₹ Nil as against other comprehensive income of ₹ 0.09 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 ₹ 90.85 per share as against ₹ 64.72 per share during the previous fiscal year.

Human Resources Development

The number of permanent employees as on 31st March, 2024 is 461.

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

1. **Succession planning**:
   The Company has identified the critical positions in the Company for the next 3 years against retirement and started action plans to develop the next level executives in critical positions. There is a plan in place to fill the vacancy against upcoming retirements internally subject to availability of resource with competent skill sets.

2. **Training and development**
   The employees of the Company have been given training based on the Company's 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. The Company has given training on Six sigma concepts for L3 and L2 employees. All current L3 executives are now certified Yellow belt holders and 27 out of 28 L2 executives are Certified Green belt holders.

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. The Company has introduced well-done cards for individuals and team cards for team to recognise the performers.

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

5. **HR Automation:**
   As part of paper reduction and Digitalisation initiatives, the Company has implemented Leave and Attendance Management System for its Executive Staff in 2023 and we have developed an Android based Application of LAMS for blue collar so that they can apply leaves using mobile phone. In addition, Digital Management System has been introduced for taking relevant approvals for various capital/revenue expenditure proposals.

6. **Competency Development Programme:**
   Competency assessments have been completed for identified employees at senior levels and HR team has started initiatives to bridge the gaps identified in the competencies of employees.

   a. **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.

b. **E-learning courses:** The Company has identified e-learning modules from Udemy, Coursera, Edx, etc. to expand on the training modules for executives.

c. **Skill Assessment and Development for Workmen:** The Company conducted skill assessment of workers belonging to all disciplines in categories 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. Safety training is conducted every month to create awareness and has started imposing penalty for safety violations as the last resort.

d. **Strategy Meeting:** Two days' strategy meeting was conducted for senior management for the future development of the Company.

e. **Health & Wellness Programmes:** The following programmes were conducted with the objective of helping employees to enhance their health, wellness and to promote better engagement among employees:

   i. **Yoga and Zumba Classes:** Zumba/Yoga sessions were conducted every morning in all Divisions.

   ii. **Breast wellness Screening Camp:** The Company conducted Breast Wellness Screening camp for the female employees in all Divisions.

   iii. **Post Covid Lung Issues:** The Company organised a session by a famous Pulmonologist who described the various post covid issues that affect the lungs and how to prevent the same.

   iv. **Badminton Court** - A new Badminton Court was inaugurated inside the Ossein Division for employees and conducted badminton tournament for employees and local people. Badminton coaching classes were conducted for children of nearby schools.

   v. **Bone density camp:** A session was organised by a reputed ortho specialist for all employees.

   vi. **Health Talk – Gastrology:** A session was organised for employees by a reputed Gastrologist.

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 therefore, are as below::

Sl. No.	Particulars	As at 31.03.2024	As at 31.03.2023	Variance	Reason
1	Current Ratio	3.38	2.41	40%	The augmentation in cash reserves, bank balances and short-term deposits resulting from improved cash flow leads to a higher current ratio.
2	Debt Equity Ratio	0.01	0.03	-67%	The Company has settled all of its long-term borrowings, with the exception of the preference borrowing from NGI.
3	Debt Service Coverage Ratio	18.83	11.87	59%	There is a 33% increase in net operating income and considerable repayments made during the year.
4	Net Capital Turn over Ratio	3.25	5.66	-43%	The decline in sales turnover by 3% alongside an increase in cash, bank balances and short-term deposits has elevated the balances of current assets, consequently augmenting the average working capital for the period. This, in turn, leads to a reduction in the Net Capital Turnover Ratio.
5	Net Profit Ratio	0.18	0.12	50%	Increase in PAT resulted in increased NP ratio based on operational/financial performance.
6	Return on Investment	1.52	1.05	45%	Increase in dividend received from the Subsidiary Company - M/s Bamni Proteins Ltd.

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
10.05.2024

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 and 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: The Board of Directors at their meeting dated 08th February 2023 had constituted CSR Committee, which was re-constituted at their Meeting dated 29th May 2023, with the following members:

Name of the Member	Designation
Dr. Justice (Retd.) M. Jaichandren	Chairman
Mr. Sajiv K. Menon	Member
Dr. Shinya Takahashi	Member

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://www.gelatin.in/

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 2020-21 – as per Section 198	2438.68
Profit before taxes F Y 2021-22 – as per Section 198	3874.25
Profit before taxes F Y 2022-23 – as per Section 198	7619.12
Average Profit before taxes for the last 3 years – as per Section 198	4,644.02

   (b) Two percent of average net profit of the Company as per Section 135(5) – ₹ 92.88 Lakhs, rounded off to higher amount, ₹ 92.90 Lakhs.
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil.
   (d) Amount required to be set off for the financial year, if any - ₹ 12.02 Lakhs.
   (e) Total CSR obligation for the financial year (b + c- d) - ₹ 80.88 Lakhs.

6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project- ₹ 81.19 Lakhs.
   (b) Amount spent in Administrative Overheads – 0.53 Lakhs.
   (c) Amount spent on Impact Assessment, if applicable- N.A.
   (d) Total amount spent for the Financial Year (a+b+c) - ₹ 81.73 Lakhs.
   (e) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (₹ in Lakhs)	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		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
81.73	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 after availing set off of excess amount	80.88
(ii)	Total amount spent for the Financial Year	81.73
(iii)	Excess amount spent for the Financial Year (ii)- (i)	0.84
(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)	0.00

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 if 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 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	3522.28
6	Total Assets	4773.80
7	Total Liabilities	4773.80
8	Investments	Nil
9	Turnover	9325.21
10	Profit/(loss) before taxation	1307.42
11	Provision for taxation	476.85
12	Profit after taxation from operations	830.57
13	Other comprehensive income/(loss)	-
14	Total comprehensive income	830.57
15	Proposed Dividend	Nil
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
10.05.2024

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.

Energy conservation activities carried out during the year:

Activities at Ossein Division

1. River water pump automation
2. Energy management systems
3. Installation of submersible mixer for buffer tank

Activities at Gelatin Division

1. Old lights inside plant and street lights replaced with low power LED lights.
2. More number of inefficient IE1 motors replaced with energy efficient Motor IE3 Motors.
3. Installation of Volute press for sludge filtration.
4. VFD installed for variable load motors in pumps.
5. Energy Management system for better control and monitoring of energy usage.
6. Hot and cold insulation done for process utility lines.
7. Operating Chiller in efficient manner to reduce power consumption.
8. Fuel handling system for B5 boiler
9. Insulation of hide liming pits
10. Procurement in progress for new cooling tower for compressor.
11. Replacement of equipments based on actual capacity requirement so that motor rating reduced remarkably.
12. New Chiller installed for Brine solution cooling.
13. Installation of more number of solar street lights
14. Procurement in progress for new Wood shredder in Boiler area.
15. Automation of Pulp filter unit in Peptide plant.
16. New Pulp filter units with additional pulp cakes.
17. New system for pulp cake stacking activity.
18. New Chiller procurement in progress for Chilled Water.

Activities at Reva Division

1. Replacement of old high pressure sodium vapour lamps with LED light.
2. Replacement of inefficient IE1 & IE2 motors with energy-efficient IE3 Motors to minimize energy consumption.
3. Automation of the ETP filter press screw pump, integrating pressure transmitter and VFD (Variable Frequency Drive), resulting in reduced pump breakdowns and energy savings.
4. Conducted a Power Quality Audit to identify areas for improving power efficiency and reliability.
5. Power factor improvement initiatives
6. Installation of detuned reactors with capacitors for enhancing power quality and efficiency.
7. Installation of solar lights within the plant premises to harness renewable energy sources and reduce dependency on conventional power.
8. Power reduction initiatives on CB charging, installation of a steam controlled valve in the drying process to regulate temperature effectively, minimising steam wastage and thus enabling reduction in coal consumption. achieving a 12% reduction in energy consumption per MT of CB charging.

Capital investments on energy conservation equipment

The Company has spent an amount of ₹ 292.56 Lakhs as capital expenditure on energy saving equipment during the year 2023-24.

Energy conservation activities proposed for 2024-25

- VFD for sludge drier ID fan.
- Solar Lights.
- Water treatment automation.
- Energy efficient motors for the plant.
- Water treatment pump replacement with energy efficient pumps.
- DCP J-10-2 blower VFD fixing.
- Water treatment pumps replacement with energy efficient pumps.
- 25KW solar panel installation.
- Liming plant air compressor replacement.
- Replacement of Old lights inside the plant and street lights with low power LED lights.
- Replacement of pending IE1 motors with energy efficient IE3 Motors.
- VFD installation for variable load motors.
- Energy Management System for better control and monitoring of energy usage.
- Hot and cold insulation for process utility lines.
- Insulation of hide liming pits.
- Proposed Cooling tower by combining various process requirements.
- Proposed new model Vacuum Pump using twin screw dry technology to reduce Power rating.
- Installation of more number of solar street lights.
- Replacement of obsolete model heat Exchangers with more efficient models.
- New energy efficient Air Compressor procurement.
- Upgradation of single screw Pumps with Twin

Screw Pumps for Evaporator areas.
- Installation of Capacitor Banks.
- Installation of AHU for MCC's.
- Steam On/Off valves replacing.
- Installation of solar power plant.
- Automation of the acid feeding mechanism.
- Implementation of an Energy Management System (EMS) for comprehensive control and monitoring of energy usage across various operations and processes.
- Installation of additional 10 Nos solar street lights to illuminate outdoor spaces using renewable energy sources.
- Installation of detuned reactors to the remaining capacitor panel.

(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 they carry out development of new products, 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. Introduction to the pet nutrition sector.
- Evaluation and development of new verticals from various raw materials.
- Development of new process techniques for cost optimization as well as fuel and energy conservation.
- Increase in product variants.

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

The major R&D projects carried out by the Company during the year are as follows:-

No.	Project Title	Status
1	Bioactive Collagen Peptides for Type 2 diabetes management.	Realtime stability study for fish and bovine bone and accelerated stability study for the raw material from bovine hide completed. Two clinical trials are planned. In the first study, an extended safety and effectiveness of Collagen Peptide as add on therapy in adults with Diabetes Mellitus Type II with dosage reduction aspects is planned. Second study aims to evaluate the safety and effectiveness on Pre-Diabetic adults. Approval process initiated for the clinical studies.
2	Bioactive, low dosage Collagen Peptides for the management of osteoarthritis.	Manuscript published in Cartilage Sage. Competitive cost assessment trials completed. Existing process conditions advised to be upgraded to the new process.
3	Low molecular weight Fish Collagen Peptides for skin health and beauty applications.	Competitive cost assessment trials completed. Existing process conditions advised to be upgraded to the new process. Clinical study to evaluate the effect on hair, skin and nail is progressing.
4	Development of Type II Collagen Peptides from cartilage for osteoarthritis management.	Un-denatured Type II Collagen - Lab trials and comparison of the prototype with competitor samples completed. Found to be comparable with competitor sample. Our sample contains large amount of un-denatured Collagen. Pilot plant trial under feasibility study with TS/QA/ Production. Preclinical studies to be initiated.

No.	Project Title	Status
5	Development of stable formulations for low molecular weight Peptides.	Formulation and accelerated stability study of Type J (Hide) is completed. Competitive cost assessment trials completed. Existing process conditions advised to be upgraded to the new process. Clinical study to evaluate the effect on hair, skin and nail is progressing.
6	Development of kids nutrition.	Collagen based formulations are planned for kids nutrition which may be utilized as a nutritional replacement to overwhelmed sugar based products in the market. Clinical study on Collagen as an add on therapy to functional appliances is planned.
7	Development of Collagen based pet food supplements.	The development of Collagen-based pet food formulations for the overall up keep, better shine & smoothness to the fur and joints has been completed. Production of pet food formulation for Veterinarian's trial is completed. We are planning to submit the same to 20 major Vet. Doctors across India to conduct prototype studies in skin & coat and bone & joint applications. Also developed 12 prototypes and sent samples to the consultant for feedback.

Expenditure on R&D:

Particulars	₹ in Lakhs	
	Current year	Previous year
a. Capital – R&D Centre Ossein Division & Gelatin Division	9.89	4.02
Total Capital expenditure	9.89	4.02
b. Recurring expenses - Ossein Division R&D Centre, Gelatin Division R&D Centre and Bamni Proteins Limited, Subsidiary Company	209.24	206.08
Percentage to turnover (%)	0.44%	0.44%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ in Lakhs)	
	Current year	Previous year
a.Earnings	18182.64	20585.05
b.Outgo	2411.78	3784.50

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

Particulars	Current year 2023-24	Previous year 2022-23
A. POWER AND FUEL CONSUMPTION		
1.Electricity		
(a) Purchased		
Units (KWH in Lakhs)	325	315
Total Amount (₹ In Lakhs)	2459	2216
Rate/Unit (₹)	7.6	7.0
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH in Lakhs)	1.7	2
Unit per litre of Diesel Oil	2.5	2.5
Cost/Unit (₹)	37	38
2. Furnace Oil		
Quantity (in KL)	525	606
Total Amount (₹ in Lakhs)	294	341
Average rate (₹ per KL)	55979	56234
3. Firewood		
Quantity (in MT)	38885	40722
Total Amount (₹ in Lakhs)	1563	1510
Average rate (₹ per MT)	4020	3707
4. LNG		
Quantity (in MMBTU)	12593	16067
Total Amount (₹ in Lakhs)	170	230
Average rate (₹ per MMBTU)	1348	1429
5. COAL		
Quantity (in MT)	2996	4175
Total Amount (₹ in Lakhs)	262	468
Average rate (₹ per MMBTU)	8740	11208
Product - Ossein		
1. Electricity (KWH) per MT	2345	1953
2. Firewood (MT)/MT	-	0.7
3.Coal (MT)/MT	1.41	1.05
Product - DCP		
1. Furnace Oil (KL)/MT	0.04	0.04
2. Coal (MT)/MT	0.43	0.47
Product – Gelatin		
1. Electricity (KWH) per MT	3245	2997
2. Furnace Oil (KL) per MT	0.03	0.05
3. Firewood (MT) per MT	7.01	7.2
4. LNG (MMBTU)/MT	2.96	3.7
Product – Collagen Peptide		
1. Electricity (KWH) per MT	5890	5133
2. Firewood (MT) per MT	7.67	6.80

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

Kochi
10.05.2024

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., (April &May) Mr. Sajiv K. Menon (from June 2023) Managing Director – 25.87 (21.66) Dr. Shinya Takahashi, Director (Technical) – 3.17 (3.25)
(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.(April & May) Mr. Sajiv K. Menon(from June 2023), Managing Director- 22.65% (-10.38%) Key Managerial Personnel: Dr. Shinya Takahashi, Director (Technical) – 0.21% (0.13%) Mr. P. Sahasranaman, CFO - 19.02% (24.58%) Mr. Vinod Mohan, CS – -7.87% (-6.09%)
(iii)	The percentage increase in the median remuneration of employees in the financial year;	2.70% (6.74%)
(iv)	The number of permanent employees on the rolls of the Company;	461 permanent employees as on 31.03.2024.
(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 12.64% and that of non-managerial 0.33%.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid by the Company during the financial year 2023-24 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
10.05.2024

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	53 years	Key Managerial Personnel	₹ 30,51,563	B Tech from IIT- Kharaghpur and PGDBM from IIM-Calcutta	Over 25 years	01.04.2022	CEO, Popular Vehicles and Services Limited	Nil
Mr. Sajiv K. Menon	Managing Director	64 years	Key Managerial Personnel	₹ 1,69,32,841	B Tech in Chemical Engineering from NIT Trichy & PGDM (Fin & Mktg) from IIM Bangalore	Over 30 years	01.06.2023	MD, Nitta Gelatin India Ltd.	Nil

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

Mr. Sajiv K. Menon is also not a relative of any Director of the Company

* Mr. Philip Chacko M has ceased to be the Managing Director on 31.05.2023 and Mr. Sajiv K. Menon was appointed as Managing Director on 01.06.2023.

For and on behalf of the Board of Directors

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

KOCHI
10.05.2024

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. - 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 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, 2023 to 31st March, 2024.

   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: 08.05.2023, 04.08.2023, 10.11.2023 and 08.02.2024.

Sd/-

APM MOHAMMED HANISH IAS
Chairman
(DIN: 02504842)

KOCHI
10.05.2024

ANNEXURE VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024.

[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
Nitta Center, SBT Avenue, Panampilly Nagar,
Ernakulam-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, Nitta Center, SBT Avenue, Panampilly Nagar, Ernakulam-682 036. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/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,2024 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, 2024 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);

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

(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), 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. *During audit, it is found that the Hon'ble Additional Chief Judicial Magistrate and Judge (CD), Labour Court, Bharuch, Gujarat has convicted the Company and Managing Director under the Minimum Wages Act,1948 and the Minimum Wages (Gujarat) Rules,1961 vide its order dated 09.12.2023 in two separate cases CC No.537/2023 and CC No. 538/2023 and levied a penalty of ₹ 12,000/- and ₹ 4000/- respectively for not complying with Rule 26(d), Rule 26(2), Rule 26(b)(1) and Rule 22 of the Minimum Wages (Gujarat) Rules,1961 r/w Section 18 of the Minimum Wages Act,1948 for Reva Division. The Board of Directors is advised to ensure compliance with respect to the provisions of the Minimum Wages Act,1948 and the Minimum Wages (Gujarat) Rules,1961 for its Reva Division at all times to avoid conviction and imposition of penalties in this regard in future including strengthening the systems and processes to monitor and comply with the labour laws with regard to Reva Division. Further, the disclosure for the same under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 to BSE Ltd was made with delay of 81 days. The Board of Directors is advised to ensure the timely reporting to BSE Ltd 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. 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

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 except that systems and processes needs to be strengthened to monitor and comply with labour laws with regard to Reva Division.

I further report that Board at its meeting held on 4th August, 2023 has decided to review the terms and objects of the Rights Issue for part financing of capacity addition once the revised detailed project report is ready.

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: F010876F000088888
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 11.04.2024
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

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

Annexure A

To

The Members,
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
Nitta Center, SBT Avenue, Panampilly Nagar,
Ernakulam-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 : F010876F000088888
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 11.04.2024
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 2024 consisted of ten (10) 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 2023-24 i.e, on 08.05.2023, 29.05.2023, 04.08.2023, 10.11.2023 and 08.02.2024.

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 31.03.2024 were as follows:

Sl. No.	Name of 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 Directorships	Committee Membership (see Note 2.01)	
								Member	Chairman
1	Mr. APM Mohammed Hanish IAS Nominee of KSIDC and Principal Secretary, Industries and Revenue (Waqf) Departments, Government of Kerala.	Nominee Director representing KSIDC (Equity investor)	-	5/5	Yes	-	7	-	-
2	Mr. S. Harikishore IAS	Nominee Director representing KSIDC (Equity investor)	-	1/5	No	-	10	1	-

Sl. No.	Name of 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 Directorships	Committee Membership (see Note 2.01)	
								Member	Chairman
3	Mr. Koichi Ogata	Promoter/ Nominee Director representing NGI, Japan (Equity investor)	-	4/5	Yes	President, NGI, Japan (Promoter)	-	-	-
4	Mrs. Radha Unni*	Non-Executive Independent Director	-	4/4	Yes	-	2	3	-
5	Mr. E. Nandakumar	Non-Executive Independent Director	-	5/5	Yes	-	1	2	-
6	Dr. Justice (Retd.) M. Jaichandren	Non-Executive Independent Director	-	5/5	Yes	-	-	1	1
7	Mr. Yoichiro Sakuma**	Non-Executive Independent Director	-	2/3	No	-	-	-	-
8	Mr. Philip Chacko M***	Managing Director	-	2/2	NA	Chairman, Bamni Proteins Limited (Subsidiary Company)	2	1	-
9	Dr. Shinya Takahashi	Executive Nominee Director representing NGI, Japan	-	5/5	Yes	Director, Bamni Proteins Limited (Subsidiary Company)	1	1	-
10	Mr. V. Ranganathan	Non-Executive Independent Director	-	5/5	Yes	-	5	4	2

Sl. No.	Name of 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 Directorships	Committee Membership (see Note 2.01)	
								Member	Chairman
11	Mr. Sajiv K. Menon****	Managing Director	-	5/5	Yes	Chairman, Bamni Proteins Ltd., Subsidiary Company	1	1	-
12	Prof. (Dr.) M.K. Chandrasekharan Nair	Non-Executive Independent Director	-	5/5	No	-	-	-	-
13	Mrs. Shirley Thomas*****	Non-Executive Independent Director		4/4	Yes	-	4	6	2

* Mrs. Radha Unni ceased to hold the office of Independent Director on 03.12.2023 upon attaining 75 years.

** Mr. Yoichiro Sakuma resigned from the post of Independent Director w.e.f. 30.09.2023.

*** Mr. Philip Chacko M stepped down as Managing Director w.e.f. 31.05.2023, consequence to which he has ceased to be the Director and Chairman of Bamni Proteins Ltd. (Subsidiary Company).

**** Mr. Sajiv K. Menon was appointed as the Managing Director of the Company with effect from 01.06.2024 till the conclusion of the Annual General Meeting to be held in the year 2024. By virtue of this, he has been appointed as the Director and Chairman of Bamni Proteins Ltd. (Subsidiary Company).

***** Mrs. Shirley Thomas has been appointed as Independent Director on 08.05.2023.

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 are 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 31.03.2024 were Mr. E. Nandakumar, Mrs. Shirley Thomas, Dr. Justice (Retd.) M Jaichandren, 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. S. Harikishore IAS	1. Geojit Financial Services Limited 2. Nitta Gelatin India Limited	Nominee Director
3	Mr. Koichi Ogata	Nitta Gelatin India Limited	Nominee Director
4	Mrs. Shirley Thomas	1. Nitta Gelatin India Limited 2. Muthoot Capital Services Limited	Independent Director
5	Mr. E. Nandakumar	Nitta Gelatin India Limited	Independent Director
6	Dr. Justice (Retd.) M. Jaichandren	Nitta Gelatin India Limited	Independent Director
7	Dr. Shinya Takahashi	Nitta Gelatin India Limited	Executive Nominee Director
8	Mr. V. Ranganathan	1. Nitta Gelatin India Limited 2. TTK Healthcare Limited 3. TTK Prestige Limited 4. The India Cements Limited	Independent Director Non-Executive Non Independent Director
9	Mr. Sajiv K. Menon	Nitta Gelatin India Limited	Non-Executive Non Independent Director upto 31.05.2023 and Managing Director w.e.f 01.06.2023
10	Prof. (Dr.) M.K. Chandrasekharan Nair	Nitta Gelatin India Limited	Independent Director
11	Mrs. Radha Unni *	Nitta Gelatin India Limited V- Guard Industries Limited	Independent Director
12	Mr. Yoichiro Sakuma**	Nitta Gelatin India Limited	Independent Director
13	Mr. Philip Chacko M***	Nitta Gelatin India Limited Sterling Biotech Limited	Managing Director upto 31.05.2023 Managing Director

* Mrs. Radha Unni ceased to hold the office of Independent Director on 03.12.2023 upon attaining 75 years.

** Mr. Yoichiro Sakuma resigned from the post of Independent Director on 30.09.2023.

*** Mr. Philip Chacko M stepped down as Managing Director from 31.05.2023 and Mr. Sajiv K. Menon was appointed as Managing Director in his place from 01.06.2023.

Change in Directors during the Financial Year

Mrs. Shirley Thomas was appointed as an Independent Director on 08.05.2023 which was approved by the shareholders at the Annual General Meeting held on 4th August, 2023.

Dr. Shinya Takahashi was re-appointed as Whole Time Director designated as Director (Technical) for a period of one year with effect from 08.05.2023 which was approved by the shareholders at the Annual General Meeting held on 4th August, 2023.

Mr. Sajiv K. Menon was appointed as Managing Director of the Company on 01.06.2023 which was approved by the shareholders at the Annual General Meeting held on 4th August, 2023 in place of Mr. Philip Chacko M who resigned from his office on 31.05.2023.

Mr. Yoichiro Sakuma resigned from the post of Independent Director on 30.09.2023 due to preoccupation and other personal commitments and confirmed that there are no other material reasons other than those provided.

Mrs. Radha Unni ceased to hold the office of Independent Director on 03.12.2023 upon attaining 75 years.

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. 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 2023-24 i.e, on 14.12.2023. 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 31.03.2024

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 - Industries, 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. Sajiv K. Menon, Managing Director**

   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 31.03.2022. Consequently he was serving as Non-Executive Non Independent Director with effect from 6th May 2022. When Mr. Philip Chacko M stepped down from the post of Managing Director with effect from 31.05.2023, Mr. Sajiv K. Menon was appointed as Managing Director with effect from 01.06.2023 till the conclusion of the Annual General Meeting to be held in the year 2024.

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 Information and Public Relations' Secretary, Director, Department of Industries and as Managing Director of KSIDC.

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

   Dr. Justice (Retd.) M. Jaichandren, 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 December, 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 the Director in the Board of Cochin Port Trust, Cochin International Airport Limited and Petronet CCK.

g. **Mr. Koichi Ogata**

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

h. **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.

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.

j. **Mrs. Shirley Thomas**
Mrs. Shirley Thomas has rich hands on all round Banking experience from Branch Banking to Network level Senior Management roles, 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. She has expertise in various areas like SME business, retail business, commercial banking, stressed asset management, Enterprise and group risk management, Agriculture and Microfinance.

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 (Retd.) M. Jaichandren 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. Shirley Thomas 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 (Retd.) M. Jaichandren
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 Mrs. Shirley Thomas
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. Shirley Thomas 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 2023-24.

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.

Six Audit Committee Meetings were held during the financial year 2023-24, the dates of which were 03.05.2023, 06.05.2023, 09.06.2023, 03.08.2023, 09.11.2023 and 07.02.2024.

The attendance of members is as follows:

Name of Directors	Category	No. of Meetings attended/held
Mr. V. Ranganathan	Chairman	6/6
Mrs. Radha Unni*	Member	5/5
Mr. E. Nandakumar	Member	6/6
Mrs. Shirley Thomas*	Member	1/1

Mr. V. Ranganathan, as Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 4th August, 2023.

* Consequent to Mrs. Radha Unni ceasing to hold the office of Independent Director on 03.12.2023, the Committee was reconstituted by replacing Mrs. Radha Unni with Mrs. Shirley Thomas.

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, Mrs. Shirley Thomas and Dr. M K C Nair as members, all three being Independent Directors. The Company had the requisite number of members in the Committee for the year 2023-24. During the year, the Committee was reconstituted with addition of two new members viz Dr. M.K. Chandrsekharan Nair and Mrs. Shirley Thomas replacing Mrs. Radha Unni and Mr. Yoichiro Sakuma who had ceased to be the Directors.

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 2023-24, the Nomination and Remuneration Committee met on 13.04.2023 and 15.12.2023.

The attendance of members is as follows:

Name	Category	No. of Meetings attended/held
Mr. E. Nandakumar	Chairman	2/2
Mr. Yoichiro Sakuma	Member	1/1
Mrs. Radha Unni	Member	1/1
Dr. M.K. Chandrasekharan Nair	Member	1/1
Mrs. Shirley Thomas	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*	2,00,000
Mr. S. Harikishore IAS*	40,000
Mr. Koichi Ogata	Nil
Mrs. Radha Unni	3,95,000
Mr. E. Nandakumar	5,15,000
Dr. Justice(Retd.) M. Jaichandren	4,40,000
Mr. Yoichiro Sakuma	1,05,000
Mr. V. Ranganathan	4,90,000
Mr. Sajiv K. Menon	80,000
Prof. (Dr.) M.K. Chandrasekharan Nair	2,80,000
Mrs. Shirley Thomas	2,80,000

* 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 2023-24

Name	Salary (in ₹)	PF (in ₹)	Incentive (in ₹)	Other Benefits (in ₹)	Total (in ₹)
Executive Directors:					
a) Managing Director: Mr. Philip Chacko M (from 01.04.2023 to 31.05.2023)	8,58,000	1,02,962	7,24,276	13,66,325	30,51,563
b) Managing Director: Mr. Sajiv K. Menon (from 01.06.2023 to 31.03.2024)	50,00,000	6,00,000	36,25,000	77,07,841	1,69,32,841
b) Whole Time Director: Dr. Shinya Takahashi	16,20,000			8,31,652	24,51,652

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

Details of performance linked incentive - Managing Director - Mr. Philip Chacko M (till 31.05.2023)

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	2,49,750	50.01%-80	1,56,094	80.01-100	1,87,313	100.01-110	2,49,750	Above 110.01	2,99,700
Increase in Total Revenue (consolidated) in current period compared to corresponding previous year.	Upto 5	83,250	5.01-7.5	52,031	7.5-10	62,438	10.01-15	83,250	Above 15.01	99,900
Total		**3,33,000**		**2,08,125**		**2,49,750**		**3,33,000**		**3,99,600**

Details of performance linked incentive - Managing Director- Mr. Sajiv K. Menon (from 01.06.2023 till 31.03.2024)

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	1,25,000	50.01-80	18,75,000	80.01-100	22,50,000	100.01-110	30,00,000	Above 110.01	36,00,000
Increase in Total Revenue (consolidated) in current period compared to corresponding previous year.	Upto 5	41,667	5.01-7.5	6,25,000	7.5-10	7,50,000	10.01-15	10,00,000	Above 15.01	12,00,000
Total		**1,66,667**		**25,00,000**		**30,00,000**		**40,00,000**		**48,00,000**

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 as on 31.03.2024 consisted of three Directors with Dr. Justice (Retd.) M. Jaichandren Chairman, Dr. Shinya Takahashi and Mr. Sajiv K. Menon as members. During the year, the Committee was reconstituted by adding Mr. Sajiv K. Menon as member in place of Mr. Philip Chacko M who had ceased to be the Managing Director with effect from 31.05.2023.

a. Name and designation of Compliance Officer: Mr. Vinod Mohan, Company Secretary.

b. Number of Shareholder complaints received during the financial year 2023-2024: 3

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 2023-24 on 10.01.2024.

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

Dr. Justice (Retd.) M. Jaichandren, Chairman of the Stakeholders' Relationship Committee, was present at the Annual General Meeting of the Company, held on 04th August, 2023.

7. GENERAL BODY MEETINGS:

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

AGM	Financial Year	Day	Date	Time	Location
47th	2023	Friday	04.08.2023	10.30 A.M	Video Conferencing (VC)
46th	2022	Thursday	04.08.2022	10.00 A.M	Video Conferencing (VC)
45th	2021	Tuesday	03.08.2021	10.00 A.M	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
04.08.2023	1. Appointment of Mrs. Shirley Thomas (DIN: 08586100) as Independent Director
04.08.2022	1. Appointment of Prof. (Dr) M.K. Chandrasekharan Nair (DIN: 09572230) as Independent Director
03.08.2021	Nil

(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 2024-25; 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, 2024 at 10.30 A.M.

ii) Financial Year: 1st April 2023 to 31st March 2024.

iii) Dividend payment date: (if declared at the Annual General Meeting) latest by 02.09.2024.

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, 2023 to March, 2024 is given below.

Year	Month	Market price of Company shares		BSE Sensex	
		High	Low	High	Low
2023	April	932.00	797.20	61,209.46	58,793.08
	May	917.00	791.60	63,036.12	61,002.17
	June	916.95	785.00	64,768.58	62,359.14
	July	824.00	697.30	67,619.17	64,836.16
	August	1,000.00	762.00	66,658.12	64,723.63
	September	930.00	795.00	67,927.23	64,818.37
	October	853.10	775.00	66,592.16	63,092.98
	November	920.00	732.60	67,069.89	63,550.46
	December	935.00	750.60	72,484.34	67,149.07
2024	January	1,184.00	858.00	73,427.59	70,001.60
	February	1,043.00	881.05	73,413.93	70,809.84
	March	969.15	816.30	74,245.17	71,674.42

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.

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 Exchange.

x) Distribution of Shareholding and Shareholder's Profile:

a) Distribution of Shareholding as at 31st March, 2024

No of Equity Shares held	No. of Shareholders	% of Shareholders	Shareholding				
			Physical	NSDL	CDSL	Total	% of Shareholding
1-1000	11556	97.2892	90892	516945	422567	1030404	11.3491
1001-5000	262	2.2057	11865	314489	233398	559752	6.1652
5001-10000	33	0.2778	6066	117557	101172	224795	2.4759
10001 and above	27	0.2273	0	7115317	148892	7264209	80.0097
Total	**11878**	**100**	**108823**	**8064308**	**906029**	**9079160**	**100**

b) Shareholders Profile as on 31st March, 2024

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Resident	11442	96.3294	2067669	22.7738
Financial Institutions	1	0.0084	6066	0.0668
NRIs	239	2.0121	61904	0.6818
Corporate Bodies	93	0.7830	105971	1.1672
Clearing Member	-	-	-	-
Mutual Funds	6	0.0505	4239	0.0467
Banks	1	0.0084	33	0.0004
IEPF	1	0.0084	48140	0.5302
Promoters & Promoter Group	2	0.0168	6762520	74.4840
Employees	93	0.7830	22618	0.2491
Total	**11878**	**100**	**9079160**	**100**

xi) Dematerialisation of Shares & liquidity:

As at 31st March, 2024, there were 89,70,337 shares, representing 98.80% of Equity Paid-up Share Capital in dematerialised form. This includes 8064308 shares (88.82%) in NSDL and 906029 shares (9.98%) 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 31.3.2024) - 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,
   Nitta Center, SBT Avenue
   Panampilly Nagar, Ernakulam - 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. Pursuant to the proviso to Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, 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. Vigil mechanism has been disseminated in the website of the Company.

(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:

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

(f)The web link where the 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 SEBI/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: ₹ 32,20,000.

(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:

Nil

(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 Ltd. is M/s Walker Chandiok & Co, LLP who were re-appointed 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 31.03.2024.

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 altered the address of the Registered Office of the Company from "56/715, SBT Avenue, Panampilly Nagar, Kochi, Kerala, India-682036" to "Nitta Center, SBT Avenue, Panampilly Nagar, Ernakulam, Kerala, India- 682036" without any change in geographical location with effect from 1st April, 2024.

14. 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 31.03.2024.

15. Designated e-mail id for investor complaints/grievance redressal: investorcell@nitta-gelatin.co.in

16. 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.

17. Senior Management Persons:

The following are the Senior Management Persons as on 31.03.2024.

Sl No	Name	Function Heads
1	Dr. Shinya Takahashi	Technical
2	Mr. Pradeep Kumar K	Operations
3	Mr. Sahasranaman P	Chief Financial Officer
4	Mr. Ajit V	HR
5	Mr. Riyaz Khan	Sales & Marketing
6	Mr. Pradeep T	Commercial
7	Mr. Vinod Mohan	Company Secretary

Change in senior management persons during the year.

Mr. Dipu Kumar, Commercial Head was relieved from the service of the Company with effect from the close of business hours on 8th November 2023 and Mr. Pradeep T has taken over as Commercial Head with effect from 9th November 2023.

18. Promotional Agreement:

There is a Promotional Agreement dated 24th January, 2023 entered into between the Promoters of the Company viz Nitta Gelatin Inc (NGI) and Kerala State Industrial Development Corporation Limited. The salient features of the Agreement include the following:

KSIDC has the right to nominate 2 Directors on the Board of the Company including the right to nominate the Chairman and NGI has the right to nominate 3 Directors including the right to nominate the Managing Director.

Amendment in Articles of Association can be done with the prior approval of the Promoters.

NGI shall assist the Company by furnishing on continuous basis technical knowhow and expertise so as to enable it to operate its existing plants successfully.

The same has been disclosed in the Company website, the link of which is as below:

https://gelatin.in/uploads/userfiles/letter%20to%20bse%20subsisting%20agreements.pdf

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

Kochi
10.05.2024

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

We, Sajiv K. Menon, 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, 2024 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/-

SAJIV K. MENON
MANAGING DIRECTOR
DIN: 00168228

Sd/-

P. SAHASRANAMAN
CHIEF FINANCIAL OFFICER

Date: 10.05.2024
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, 2024.

Date: 10.05.2024
Place: Kochi

Sd/-
Sajiv K. Menon
Managing Director
DIN: 00168228

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
Nitta Center, SBT Avenue, Panampilly Nagar,
Ernakulam - 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 Nitta Center, SBT Avenue, Panampilly Nagar, Ernakulam-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 Director 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 on 31st March, 2024 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	Mr. A.P.M. Mohamedhanish IAS	02504842	15/02/2022
2	Mr. S Harikishore IAS	06622304	04/08/2022
3	Mr. Koichi Ogata	07811482	09/05/2017
4	Mr. E. Nandakumar	01802428	29/10/2018
5	Dr. Justice (Retd.) M. Jaichandren	08584025	04/11/2019
6	Mr. V. Ranganathan	00550121	27/04/2021
7	Prof. (Dr.) M.K. Chandrasekharan Nair	09572230	06/05/2022
8	Mrs. Shirley Thomas	08586100	08/05/2023
9	Mr. Sajiv K. Menon	00168228	06/05/2022
10	Dr. Shinya Takahashi	07809828	09/05/2017
11	Mrs. Radha Unni	03242769	11/07/2014 (Retired on 03/12/2023)
12	Mr. Yoichiro Sakuma	08237722	29/10/2018 (Resigned w.e.f 30/09/2023)
13	Mr. Philip Chacko M	01219764	01/04/2022 (Resigned w.e.f 31/05/2023)

Ensuring the eligibility of 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: F010876F000203332
M.No. F10876 C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Place: Kochi
Date: 22.04.2024

Sd/-
C.P. No.: 14524
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

CERTIFICATE ON CORPORATE GOVERNANCE

The Members
Nitta Gelatin India Limited
CIN: L24299KL1975PLC002691
Nitta Center, SBT Avenue, Panampilly Nagar,
Ernakulam-682 036.

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 Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the financial year ended 31st March, 2024. 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 Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") for the financial year ended 31st March, 2024.

UDIN: F010876F000203453
M.No. F10876 C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020

Date: 22.04.2024
Place: Kochi

Sd/-
C.P. No.: 14524
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

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 2024, 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 material accounting policy information 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 2024, 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 judgement, 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.

<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 3.31 of the accompanying standalone financial statements):
Following are the significant matters relating to litigations that are outstanding as at 31 March 2024:
i. Customs duty: ₹ 1,819.66 Lakhs
ii. Other matters: ₹ 543.69 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 judgements 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 judgement, 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 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 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.

</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 at Reva Division: (Refer note 3.01 of the accompanying standalone financial statements) As at 31 March 2024, the Company is carrying Property, Plant and Equipment at Reva Division ('PPE') aggregating to ₹ 3,183.91 Lakhs in its financial statements, which is considered to be a separate cash generating unit ('CGU'). These balances are subject to a test of impairment by the management in accordance with Ind AS 36, Impairment of Assets ('Ind AS 36') in the current year as the management has identified impairment indicators as explained in note 3.01(f) to the accompanying financial statements. The Company has engaged external valuation expert to determine recoverable value of the PPE using discounted cash flow method which involves significant management judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, reasonable and consistent allocation of corporate assets, future cash flow projections using assumptions relating to budgeted revenue, operating margins, growth rates and appropriate discount rate. As mentioned in note 3.01(f) to the standalone financial statements, based on aforesaid impairment testing of the carrying value of PPE carried out by the management as at 31 March 2024, the total provision for impairment of assets carried in the books is ₹ 531.95 Lakhs as on 31 March 2024. Considering the materiality of the amounts involved, significant judgement and high estimation uncertainty in determining the recoverable value of such PPE, this 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 Reva division 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. • Engaged the auditor's expert to assess the reasonableness of the valuation conducted by the management's expert. • 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we do 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.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 judgements 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is 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 judgement 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 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; 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.
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 except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
    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 2024 from being appointed as a director in terms of section 164(2) of the Act;
    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
    h) 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 2024;
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
        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 2024;
        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 of 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 2024 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 2024 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. As stated in note 3.50 to the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software SAP ERP to log any direct data changes, used for maintenance of all accounting records by the Company.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature.	The accounting software Zoho Books used for recording the retail sales of the Company with effect from 1 March 2024, is operated by third party software service provider. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature of the said software were enabled and operated throughout the period for all relevant transactions recorded in the software.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 24206229BKGQYC7482

Place: Kochi
Date: 10 May 2024

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 2024

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, capital work-in-progress and relevant details of right-of-use assets.

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

(b) The property, plant and equipment, capital work-in-progress and relevant details of 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 values of ₹ 188.38 Lakhs as at 31 March 2024, 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 ₹ 500 Lakhs by banks based on the security of current assets. The quarterly returns, in respect of the working capital limits have been filed by the Company with such banks and such returns 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 2024

Name of the Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information disclosed as per return (a)	Information as per books of accounts (b)	Difference (a-b)
State Bank of India	4,530	Inventories (net of trade payables)	June 2023	7,737.71	7,932.50	(194.79)
Standard Chartered Bank	1,000					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,200					
State Bank of India	4,530	Inventories (net of trade payables)	September 2023	8,446.36	8,311.03	135.33
Standard Chartered Bank	1,000					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,200					
State Bank of India	4,530	Inventories (net of trade payables)	December 2023	8,536.02	8,479.75	56.27
Standard Chartered Bank	1,000					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600	Trade receivables		7,804.10	7,822.40	(17.59)
HDFC Bank	1,200					
State Bank of India	4,530	Inventories (net of trade payables)	March 2024	7,812.40	8,048.51	(236.11)
Standard Chartered Bank	1,000					
Mizuho Bank	1,000					
Sumitomo Mitsui Banking Corporation	1,600					
HDFC Bank	1,200					

(iii) The Company has not made investments in, provided any guarantee or security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has granted unsecured loans to other parties during the year, in respect of which:

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

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 2024

Particulars	Loans (₹ in Lakhs)
Aggregate amount provided/granted during the year (₹): - Others (employees)	5.88
Balance outstanding as at balance sheet date in respect of above cases: - Others (employees)	10.82

(b) The Company has not made any investment, provided any guarantee or 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 interest of the Company.

(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 loans or advances in the nature of loans 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 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 there have been slight delays in a few cases with respect to tax deducted at source. Further, duty of customs has not generally been regularly deposited with the appropriate authorities and there has been significant delay in two cases. 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 (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Customs Act, 1962	Customs duty	34.50	FY 2021-22	5 November 2021	-	-
Customs Act, 1962	Customs duty	148.70	Various dates	Various years	-	-

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 2024

(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:

Name of the statute	Nature of dues	Gross Amount (₹ in Lakhs)	Amount paid Under Protest (₹ 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)	-
Central Excise Act, 1944	Central excise	7.21	0.36	FY 2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal	-
Customs Act, 1962	Custom duty	1819.66	65.78	FY 2011-12 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal	-
Finance Act, 1994	Service tax	38.84	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	Commissioner (Appeals)	-
Goods and Service Tax Act, 2017	Goods and service tax	66.74	-	FY 2018-19	Additional commissioner (Appeals)	-
Goods and Service Tax Act, 2017	Goods and service tax	70.06	-	FY 2018-19	Additional commissioner (Appeals)	-

(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

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 2024

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, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(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.

(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 material fraud on the Company has been noticed or reported during the period covered by our audit.

(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) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(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

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 2024

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 in 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 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 standalone financial 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: 24206229BKGQYC7482

Place: Kochi
Date: 10 May 2024

Annexure II 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 2024

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 2024, 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 Institute of Chartered Accountants of India ('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.

Annexure II 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 2024

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 2024, 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: 24206229BKGQYC7482

Place : Kochi
Date : 10 May 2024

Nitta Gelatin India Limited

Standalone Balance Sheet as at 31 March 2024

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

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3.01	10,533.59	10,783.00
(b) Capital work-in-progress	3.01	787.88	654.65
(c) Other intangible assets	3.02	72.38	85.77
(d) Financial assets			
(i) Investments	3.03	460.47	450.84
(ii) Loans	3.04	6.79	6.41
(iii) Other financial assets	3.05	475.53	401.82
(e) Non current tax assets (net)		1,189.87	716.47
(f) Other non-current assets	3.06	1,155.87	1,218.04
		14,682.38	**14,317.00**
Current Assets			
(a) Inventories	3.07	9,095.08	8,501.45
(b) Financial assets			
(i) Trade receivables	3.08	7,825.46	7,853.94
(ii) Cash and cash equivalents	3.09	3,015.85	1,000.20
(iii) Bank balances other than cash and cash equivalents	3.10	4,122.73	59.86
(iv) Loans	3.04	4.03	3.45
(v) Other financial assets	3.05	123.92	115.03
(c) Other current assets	3.06	1,124.67	740.15
		25,311.74	**18,274.08**
Total Assets		**39,994.12**	**32,591.08**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3.11	907.92	907.92
(b) Other equity	3.12	30,653.29	23,086.40
		31,561.21	**23,994.32**
LIABILITIES			
Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	409.12	685.44
(b) Provisions	3.17	77.02	133.89
(c) Deferred tax liabilities (net)	3.14	456.63	187.47
		942.77	**1,006.80**
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	2,308.70	2,631.03
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	3.15	650.91	427.02
b) Total outstanding dues of creditors other than micro and small enterprises	3.15	2,322.06	2,424.91
(iii) Other financial liabilities	3.16	560.10	634.93
(b) Other current liabilities	3.18	747.93	629.27
(c) Provisions	3.17	118.08	248.00
(d) Current tax liabilities (net)		782.36	594.80
		7,490.14	**7,589.96**
Total Equity and Liabilities		**39,994.12**	**32,591.08**

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: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

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 2024

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

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations	3.19	47,297.20	48,675.34
Other income	3.20	1,666.64	531.07
Total income		**48,963.84**	**49,206.41**
EXPENSES			
Cost of materials consumed	3.21	21,054.28	23,280.96
Changes in inventories of finished goods and work-in-progress	3.22	(761.86)	(36.52)
Employee benefits expense	3.23	4,654.02	4,459.29
Finance costs	3.24	233.49	335.25
Depreciation and amortisation expenses	3.25	1,408.38	1,319.44
Other expenses	3.26	11,387.60	12,039.65
Total expenses		**37,975.91**	**41,398.07**
Profit before tax		**10,987.93**	**7,808.34**
Tax expense			
Current tax		2,424.61	2,275.75
Income tax relating to earlier years		44.87	-
Deferred tax charge/(credit)	3.36	269.95	(343.86)
Profit for the year		**8,248.50**	**5,876.45**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
a) Re-measurement gain/(loss) on defined benefit plans		(14.03)	23.88
Income tax relating to item that will not be reclassified to profit or loss		3.53	(6.01)
		(10.50)	**17.87**
b) Measurement of financial assets through other comprehensive income		9.64	1.16
Income tax relating to item that will not be reclassified to profit or loss		(2.00)	(0.24)
		7.64	**0.92**
Net of items that will not be reclassified subsequently to profit or loss:		**(2.86)**	**18.79**
Items that will be reclassified subsequently to profit or loss:			
a) Gain/(loss) recognised on cash flow hedges		2.93	(13.31)
Income tax relating to items that will be reclassified to profit or loss		(0.74)	3.87
Net of items that will be reclassified subsequently to profit or loss:		**2.19**	**(9.44)**
Total other comprehensive income/(loss), net of tax		**(0.67)**	**9.35**
Total comprehensive income for the year		**8,247.83**	**5,885.80**
Earnings per equity share (₹ per share)	3.27		
Basic		**90.85**	**64.72**
Diluted		**90.85**	**64.72**

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229

Place: Kochi
Date: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited

Standalone Statement of Cash Flows for the year ended 31 March 2024

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flows from operating activities		
Profit before tax	10,987.93	7,808.34
Adjustments for:		
Depreciation and amortisation expense	1,408.38	1,319.44
Loss on disposal of property, plant and equipment (net)	51.28	104.82
Finance costs	233.49	335.25
Interest income	(182.71)	(17.63)
Dividend income from non-current investments	(700.00)	(472.50)
Liabilities no longer required written back	(0.24)	(0.44)
Unrealised foreign exchange (gain)/loss (net)	(12.07)	79.76
Operating profit before working capital changes	**11,786.06**	**9,157.04**
Adjustments for working capital changes:		
Increase in trade receivables, other financial assets and other current assets	(492.74)	(593.36)
(Increase)/decrease in inventories	(593.63)	700.08
Increase in trade payables, other financial liabilities and other current liabilities	202.17	925.50
Decrease in provisions	(200.82)	(336.80)
Cash generated from operations	**10,701.04**	**9,852.46**
Income taxes paid (net)	(2,755.32)	(2,022.52)
Net cash generated from operating activities - (A)	**7,945.72**	**7,829.94**
B. Cash flows from investing activities		
Purchase of property, plant and equipment,capital work-in-progress and intangible assets	(1,230.34)	(2,026.28)
Proceeds from disposal of property, plant and equipment	18.17	4.49
(Increase)/decrease in other bank balances with maturity more than three months	(4,069.62)	19.06
Interest received	170.19	17.42
Dividend received	700.00	472.50
Net cash used in investing activities - (B)	**(4,411.60)**	**(1,512.81)**
C. Cash flows from financing activities		
Proceeds from non-current borrowings	-	216.81
Repayment of non-current borrowings	(278.83)	(2,171.76)
Repayment of current borrowings (net)	(322.33)	(2,746.66)
Dividend paid	(679.40)	(361.67)
Interest paid	(237.91)	(268.35)
Net cash used in financing activities - (C)	**(1,518.47)**	**(5,331.63)**
Net increase in cash and cash equivalents - (A+B+C)	**2,015.65**	**985.50**
Cash and cash equivalents at beginning of the year	**1,000.20**	**14.70**
Cash and cash equivalents at the end of the year	**3,015.85**	**1,000.20**
	2,015.65	**985.50**
Components of cash and cash equivalents (Refer Note 3.09)		
a) Cash on hand	2.20	1.75
b) Balance with banks:		
- in current accounts	293.41	998.45
- in deposit accounts with a maturity of less than three months	2,720.24	-
	3,015.85	**1,000.20**

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

Nitta Gelatin India Limited
Standalone Statement of Cash Flows for the year ended 31 March 2024
(All amounts are in ₹ Lakhs, unless otherwise stated)

See accompanying notes forming part of these standalone financial statements.

This is the Standalone Statement of Cash Flows 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: 10 May 2024

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

Standalone Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity share capital

	Balance as at 1 April 2023	Changes in equity share capital during the period	Balance as at 31 March 2024
1) For the period from 1 April 2023 to 31 March 2024	907.92	-	907.92

	Balance as at 1 April 2022	Changes in equity share capital during the period	Balance as at 31 March 2023
2) For the period from 1 April 2022 to 31 March 2023	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 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**
Profit for the year	-	-	8,248.50	-	-	-	-	-	-	-	8,248.50
Other comprehensive income/(loss)	-	-	-	-	-	-	-	2.19	7.64	(10.50)	(0.67)
Transactions with owners of the company											
Dividend paid during the year	-	-	(680.94)	-	-	-	-	-	-	-	(680.94)
Balance as at 31 March 2024	**984.43**	**2,895.90**	**14,796.85**	**1,580.00**	**79.00**	**2,750.62**	**7,836.64**	**2.19**	**23.84**	**(296.18)**	**30,653.29**
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/(loss)	-	-	-	-	-	-	-	(9.44)	0.92	17.87	9.35
Transfer to capital redemption reserve	-	-	(1,580.00)	1,580.00	-	-	-	-	-		-
Transactions with owners of the company											
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**

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: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

E. Nandakumar
Director
DIN: 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

(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 Nitta Center, SBT Avenue, Panampilly Nagar, Ernakulam, Kerala, India. Pin - 682036

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 10 May 2024.

2. Summary of material accounting policies

a) Basis of accounting and preparation and statement of compliance

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.

The financial statements for the year ended 31 March 2024 were authorized and approved for issue by the Board of Directors on 10 May 2024. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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

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 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. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Contingent liabilities are not recognised but are disclosed in notes to accounts.

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 outstanding 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,

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

d) Property, Plant and Equipment (PPE) *(cont'd)*

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 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 Company depreciates Property, Plant and Equipment (other than service equipment) over their estimated useful lives using the Written Down Value method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Straight Line Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 and 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

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

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.

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

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

h) Employee benefits *(cont'd)*

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.

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) 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 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.

j) 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.

k) 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 expenditure 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.

l) 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

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

benefit of the underlying asset i.e. by equal annual installments.

m) 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.

n) 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 set off 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 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 set off 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.

o) Provisions and contingencies

i. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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.

p) 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 (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').

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

p) Financial instruments *(cont'd)*

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.

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

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

p) Financial instruments *(cont'd)*

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.

This category generally applies to borrowings.

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.

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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

q) 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.

r) 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 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, based on the lowest level input that is significant to the fair value measurement as a whole:

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

s) 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.

t) 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.

u) 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

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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.

v) Recent accounting pronouncements

(i) Definition of Accounting Estimates - Amendments to Ind AS 8 - Application of the amendment does not have any material impact on the financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1- Application of the amendment does not have any material impact on the financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 - Application of the amendment does not have any material impact on the financial statements.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (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 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**
Additions	-	0.12	166.86	911.01	8.81	58.91	30.73	1,176.44	436.03
Disposals	-	-	4.22	353.53	0.72	10.85	-	369.32	302.80
Balance as at 31 March 2024	**442.04**	**1,152.18**	**3,839.79**	**14,624.69**	**101.29**	**252.47**	**126.29**	**20,538.75**	**787.88**
Accumulated depreciation and impairment									
Balance as at 1 April 2022	**-**	**143.64**	**1,336.99**	**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**	**-**
Depreciation charge for the year (refer note 3.25)	-	12.07	184.99	1,082.19	9.43	43.32	24.41	1,356.41	-
Disposals	-	-	1.22	287.96	0.68	10.02	-	299.88	-
Balance as at 31 March 2024	**-**	**165.06**	**1,701.98**	**7,832.14**	**66.90**	**182.13**	**56.95**	**10,005.16**	**-**
Net carrying amount									
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**
As at 31 March 2024	**442.04**	**987.12**	**2,137.81**	**6,792.55**	**34.39**	**70.34**	**69.34**	**10,533.59**	**787.88**

Note:

a. **Contractual obligations**
Refer note 3.32.

b. **Capitalised borrowing cost**
Borrowing costs capitalised during the year ended 31 March 2024 is ₹ Nil (31 March 2023: ₹ 27.63 Lakhs).

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 ₹ 9.89 Lakhs (31 March 2023 - ₹ 4.02 Lakhs) (refer note 3.26.1)

e. The gross carrying value, accumulated depreciation and net carrying value as at 31 March 2024 and 31 March 2023 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 for manufacture of 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. Though the Company started generating positive cash flows from these identifiable group of assets, there is an uncertainty in sustaining the current market price of the product in the coming quarters. Hence as a matter of prudence, management is of the view that the existing provision for impairment created in the books during previous period, based on impairment testing carried out then in the manner prescribed in Ind AS 36, amounting to ₹ 531.95 Lakhs is to be retained in books till sustainable positive cash flows are achieved from this identifiable group of assets. The carrying value and recoverable value of these assets are ₹ 3183.91 Lakhs and ₹ 2651.96 Lakhs respectively.

g. Right of Use Asset includes "Leasehold land" which represents land obtained on long term lease from various Government authorities.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (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 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	383.78	224.33	176.71	3.06	787.88
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

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
Gross carrying amount:	
Balance as at 1 April 2022	**143.00**
Additions	64.14
Disposals	2.59
Balance as at 31 March 2023	**204.55**
Additions	38.58
Balance as at 31 March 2024	**243.13**
Accumulated amortisation	
Balance as at 1 April 2022	**90.31**
Amortisation for the year (refer note 3.25)	28.47
Balance as at 31 March 2023	**118.78**
Amortisation for the year (refer note 3.25)	51.97
Balance as at 31 March 2024	**170.75**
Net carrying amount	
As at 31 March 2023	**85.77**
As at 31 March 2024	**72.38**

Note:

Contractual obligations

There are no contractual obligations for the acquisition of intangible assets.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

	As at 31 March 2024	As at 31 March 2023
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	31.53	21.93
(b) 100 (100) equity shares of ₹10 each in Industrial Finance Corporation of India Limited, fully paid up	0.04	0.01
Total	**31.57**	**21.94**
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	**460.47**	**450.84**
Aggregate amount of quoted investments	31.57	21.94
Aggregate market value of quoted investments	31.57	21.94
Aggregate amount of unquoted investments	433.90	433.90
Aggregate amount of impairment in value of investments	(5.00)	(5.00)

*The Maharashtra State Pollution Control Board ("MPCB") vide their closure order dated 13 March 2024 has directed the subsidiary company, Bamni Proteins Limited ('subsidiary') to stop the manufacturing activities at its factory in Bamni village, Chandrapur district, Maharashtra citing failure to comply with certain pollution control norms and conditions for the discharge of treated effluent by the unit as stipulated in the 'consent to operate' letter issued by them. The subsidiary has stopped its manufacturing activities upon receipt of closure order. The management of the subsidiary believes that it has complied with all applicable norms stipulated in the consent to operate letter and the same was communicated to MPCB. The management of subsidiary also requested MPCB for an in-principle approval to lay a pipeline for the discharge of treated effluent water to a nearby river which has been declined by the MPCB vide its letter dated 30 April 2024. In the absence of technically and economically viable solution for resuming operations of subsidiary's manufacturing activities on a sustainable basis, the Board of Directors of the subsidiary in their meeting held on 9 May 2024 decided to permanently close the manufacturing unit/factory of the subsidiary by 25 July 2024 and concluded that the subsidiary has ceased to be a going concern. Consequently, the Company's investment in subsidiary has been tested for impairment by the management and noted that the subsidiary has a healthy financial position as on 31 March 2024. Accordingly, the management concluded that no impairment loss is required to be recognised in the statement of profit and loss against the carrying value of the investment in subsidiary.

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 2024	As at 31 March 2023
3.04 Loans		
Non-current		
(Unsecured, considered good)		
Loan to employees	6.79	6.41
	6.79	**6.41**
Current		
(Unsecured, considered good)		
Loan to employees	4.03	3.45
	4.03	**3.45**

The loans are given to employees at an interest rate which is aligned with the market rate of interest. There are no amounts which are over due.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

		As at 31 March 2024	As at 31 March 2023
3.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	451.38	384.42
	Balances with banks - deposit accounts with remaining maturity period greater than 12 months	5.21	-
	Earmarked balances with banks for unpaid dividend**	18.94	17.40
		475.53	**401.82**
	Current		
	(Unsecured, considered good)		
	Security deposits	2.09	1.40
	Advances recoverable in cash or in kind #	90.10	97.78
	Hedge asset (foreign exchange forward contract)	2.93	-
	Others	28.80	15.85
		123.92	**115.03**

** There has been no delay in transfer of funds to Investor Education and Protection Fund (IEPF).

** Not due for deposit in the investor education and protection fund.

Represents salary advances given to employees in accordance with the employment policy.

		As at 31 March 2024	As at 31 March 2023
3.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	i. Capital advance	6.33	157.99
	ii. Advances other than capital advances;		
	a. Other advances		
	Prepaid expenses	26.54	13.53
	iii. Others		
	Export incentive receivable [refer note (a) below]	1,004.52	937.95
	VAT refund receivable	6.28	42.78
	Deposit with government authorities	65.79	65.79
	Other deposits	46.41	-
	(Unsecured, considered doubtful)		
	Export incentive receivable[refer note (a),(b) and (c) below]	184.22	199.28
	Less: Provision for doubtful receivable	(184.22)	(199.28)
		1,155.87	**1,218.04**
	Current		
	(Unsecured, considered good)		
	i. Advances other than capital advances;		
	Advances to suppliers and contractors	679.68	249.27
	Prepaid expenses	236.00	223.11
	ii. Others		
	Balances with statutory authorities	-	-
	Export incentive receivable/benefit (RoDTEP & Advance authorisation)	208.99	267.77
		1,124.67	**740.15**

Export incentives receivable includes:

(a) Claims amounting to ₹ 208.18 Lakhs (31 March 2023: ₹ 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 2023: ₹ 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 DGFT 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 DEPB 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 2023: ₹ 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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

(c) During the financial year ended 31 March 2022, Company had made a provision of ₹ 36.12 Lakhs towards All Industry duty drawback claims which were pending for clearance from customs department, out of which, Company received a claim amount of ₹ 14.60 Lakhs during the year ended 31 March 2023 and ₹ 15.06 Lakhs in the current year. Balance provision of ₹ 6.46 Lakhs is carried in the books of accounts as at 31 March 2024.

3.07 Inventories

Raw materials #	1,709.72	2,021.23
Raw materials in-transit	159.10	72.16
Work-in-progress	4,326.77	3,714.07
Finished goods #	2,195.63	2,046.47
Stores and spares	618.38	547.71
Packing materials	85.48	99.81
	9,095.08	**8,501.45**

The cost of raw materials consumed for the year ended 31 March 2023 includes provision created towards slow moving inventory of fish protein amounting to ₹ 770.15 Lakhs, which was created on account of significant reduction in the demand of the associated finished product (fish peptide) in the export market due to various macro-economic factors including recession in the global market. During the current year, the market conditions has improved significantly, which has resulted in the increase in the demand for fish peptide. Accordingly, the Company has reversed a provision amounting to ₹ 697.62 Lakhs in the current year based on consumption of such fish protein.

Method of valuation of inventories- refer 2(j) of material accounting policies.

For inventories pledged as security and details of provision, refer note 3.28.

3.08 Trade receivables

Unsecured		
Considered good	7,853.91	7,882.39
Credit impaired	4.60	4.60
Less: loss allowance	(33.05)	(33.05)
	7,825.46	**7,853.94**

Trade receivables ageing schedule as at 31 March 2024

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	7,797.46	26.09	30.33	-	0.03	**7,853.91**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	**4.60**
Less: Loss allowance	-	-	-	-	-	**(33.05)**
Total Trade receivables						**7,825.46**

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 are non-interest bearing and are generally on terms of 30 to 180 days.
Presumption that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted based on the past experience of realisation of the debtors.
There are no significant increase in credit risk as at the reporting date.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

		As at 31 March 2024	As at 31 March 2023
3.09	**Cash and cash equivalents**		
	Balance with banks		
	- In current accounts	293.41	998.45
	- In deposit accounts with original maturity less than 3 months	2,720.24	-
	Cash on hand	2.20	1.75
		3,015.85	**1,000.20**
3.10	**Bank balances other than cash and cash equivalents**		
	Balance with banks (with original maturity of more than three months but less than twelve months)		
	- In deposit accounts *	4,122.73	59.86
		4,122.73	**59.86**

* Balance with banks in deposit accounts include ₹ 305.00 Lakhs (31 March 2023: ₹ 59.86 Lakhs) with a maturity period of less than twelve months, which are held as security against Letter of Credits/Guarantee and Buyers Credit.

3.11 Equity share capital

Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
	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 2024**		**As at 31 March 2023**	
	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.

(c) Details of shares held by company having substantial interest

Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
	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 material accounting policies and other explanatory information for the year ended 31 March 2024 (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 2024		As at 31 March 2023	
	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 2024

Particulars	As at 31 March 2024		
	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	-

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 2024	As at 31 March 2023
Dividends on equity shares declared and paid for the year ended 31 March 2023 ₹ 7.5 per equity share (₹ 4 per share for financial year 2021-22)	680.94	363.17
Proposed cash dividend for the year ended 31 March 2024 - ₹ 6 per equity share (₹ 7.5 per share for financial year 2022-23)	544.75	680.94

(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 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Equity shares allotted as fully paid Bonus shares by capitalisation of reserves	-	-	-	-	-

3.12 Other equity (Refer Standalone Statement of Changes in Equity)	As at 31 March 2024	As at 31 March 2023
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	1,580.00
Capital reserve on merger	2,750.62	2,750.62
Retained earnings	14,796.85	7,229.29
Items of other comprehensive income		
- Hedge reserve	2.19	-
- Equity instruments through OCI	23.84	16.20
- Remeasurement of defined benefit plans (net)	(296.18)	(285.68)
	30,653.29	**23,086.40**

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

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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.

	As at 31 March 2024	As at 31 March 2023
3.13 Borrowings		
Non current		
(Secured)		
Term loans from banks:		
- From State Bank of India	-	437.38
(Unsecured)		
Loan from related party:		
Liability component of redeemable preference shares	409.12	398.06
Liability component of optionally convertible preference shares	-	10.99
	409.12	**846.43**
(Secured)		
Current maturities of non-current borrowings	-	(150.00)
Unsecured		
Current portion of liability component of OCPS	-	(10.99)
	409.12	**685.44**
Current		
(Secured)		
Loans repayable on demand		
From Banks:		
Cash credits/working capital demand loans	141.76	1,386.32
Bills discounting	712.25	1,083.72
Current portion of liability component of optionally OCPS	-	10.99
Current maturities of non-current borrowings	-	150.00
Loan taken from subsidiary	1,454.69	-
	2,308.70	**2,631.03**

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

Particulars	As at 1 April 2023	Cash flows	Non cash changes/ adjustments	As at 31 March 2024
Non-current borrowings (including current maturities)	846.43	(278.83)	(158.48)	409.12
Current borrowings	2,470.04	(322.33)	160.99	2,308.70

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/ adjustments	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

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2024	As at 31 March 2023
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 installments commencing from June 2022. Refer note (3.13.1) below.	-	437.38
				-	**437.38**
Term loans from Others (Unsecured)					
i.	Redeemable Preference Shares		Refer note (3.13.2) below	409.12	398.06
				409.12	**398.06**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

3.13.1 The Company has fully repaid the term loans taken from SBI during the current year.

3.13.2 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 2024	As at 31 March 2023
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 Secured Overnight Financing Rate (SOFR) rates and for JPY denominated loans is 0.75 % to 2.00 % over the Tokyo Overnight Average (TONA) rates.	The loans are repayable on demand	854.01	2,333.07
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 9 % to 10.1 %.	The loans are repay-able on demand	-	136.97
iii	Optionally convertible preference shares	Unsecured	Refer note (3.13.3)	-	10.99
iv	Loan taken from subsidiary - Bamni Proteins Limited	Unsecured. the interest rate is 8%	Loan is repayable on demand	1,454.69	-
				2,308.70	**2,481.03**

3.13.3 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 current financial year.

	As at 31 March 2024	As at 31 March 2023
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	642.44	694.17
Timing differences on assessment of income	82.37	56.59
Deferred tax impact on fair value changes	15.33	-
Deferred tax assets		
Deferred tax impact on fair value changes	-	(14.01)
Provision for doubtful debts and others	(220.79)	(470.17)
Provision for employee benefits	(61.27)	(77.28)
Others	(1.45)	(1.83)
	456.63	**187.47**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

Movement in Deferred Tax Liabilities/(assets) balances during the year ended 31 March 2024

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	694.17	-	(51.73)	-	642.44
Timing differences on assessment of income	56.59	-	25.78	-	82.37
Deferred tax impact on fair value changes	(14.01)	-	26.60	2.74	15.33
Provision for doubtful debts and others	(470.17)	-	249.38	-	(220.79)
Provision for employee benefits	(77.28)	-	19.54	(3.53)	(61.27)
Others	(1.83)	-	0.38	-	(1.45)
Deferred Tax Liabilities	**187.47**	**-**	**269.95**	**(0.79)**	**456.63**

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)	-	(321.05)	-	(470.17)
Provision for employee benefits	(185.68)	-	102.39	6.01	(77.28)
MAT Credit entitlement	(109.03)	-	109.03	-	-
Others	(2.11)	-	0.28	-	(1.83)
Deferred Tax Liabilities (Net)	**528.95**	**-**	**(343.86)**	**2.38**	**187.47**

		As at 31 March 2024	As at 31 March 2023
3.15	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises (refer note (a) and (b) below)	650.91	427.02
	Total outstanding dues of creditors other than micro enterprises and small enterprises #	2,322.06	2,424.91
		2,972.97	**2,851.93**

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 ₹ 512.86 Lakhs which is the balance payable to them as on 31 March 2024 (31 March 2023: ₹ 354.69 Lakhs).

		31 March 2024	31 March 2023
i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	650.91	427.02
ii)	Interest due thereon remaining unpaid	5.57	1.36
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	5.57	1.36
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 material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

Trade payable ageing schedule as at 31 March 2024

	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	650.91	-	-	-	650.91
(ii) Others	779.37	96.08	0.24	6.31	882.00
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-
Unbilled/not due		-	-	-	1,440.06
Total					**2,972.97**

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	427.02	-	-	-	427.02
(ii) Others	1,074.92	30.14	-	1.32	1,106.38
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-
Unbilled/not due	-	-	-	-	1,318.53
Total					**2,851.93**

		As at 31 March 2024	As at 31 March 2023
3.16	**Other financial liabilities**		
	Current		
	Unpaid dividend	18.94	17.40
	Creditors for capital goods	3.69	37.43
	Hedge liability (refer note 3.26.4)	-	63.07
	Employee related liabilities	533.17	508.31
	Others	4.30	8.72
		560.10	**634.93**

		As at 31 March 2024	As at 31 March 2023
3.17	**Provisions**		
	Non-current		
	Provision for employee benefits (net) (refer note 3.37)		
	- Gratuity	21.75	23.96
	- Compensated absence	55.27	109.93
		77.02	**133.89**
	Current		
	Provision for employee benefits (net) (refer note 3.37)		
	- Gratuity	24.49	22.98
	- Compensated absence	31.76	30.90
	Others (refer note 3.31.1)	61.83	194.12
		118.08	**248.00**
3.18	**Other liabilities**		
	Current		
	Advance from customer	118.62	81.86
	Others		
	- Statutory dues	452.74	135.73
	- Deferred income	176.57	411.68
		747.93	**629.27**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

	Year Ended 31 March 2024	Year Ended 31 March 2023
3.19 Revenue from operations		
Revenue from Sale of goods		
Sale of products	46,296.08	47,677.14
Other operating revenues		
Scrap sales	102.99	81.43
Export incentives		
- Government grants	483.64	441.71
- Duty drawback	121.59	191.97
- Remission of duties and taxes on export products (RoDTEP) incentives	158.01	144.80
Other miscellaneous income	134.89	138.29
	1,001.12	**998.20**
	47,297.20	**48,675.34**

	Year Ended 31 March 2024	Year Ended 31 March 2023

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 3.19.3 and 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.

Contract Balances

Particulars		
Trade receivables (refer note 3.08)	7,825.46	7,853.94
Contract liabilities - advance from customers (refer note 3.18)	118.62	81.86
	7,944.08	**7,935.80**

During the year ended 31 March 2024, the Company has recognised revenue of ₹ 81.86 Lakhs (31 March 2023: ₹ 268.41 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	46,426.11	47,809.15
Less: Trade discount, rebates etc.	(130.03)	(132.01)
Net revenue recognised from contracts with customers	**46,296.08**	**47,677.14**
3.19.3 Revenues from each product or each group of similar products:		
Gelatin	30,858.79	31,135.26
Collagen peptide	4,789.76	4,237.68
Ossein	3,172.60	3,642.94
Dicalcium phosphate (DCP)	6,859.52	8,054.36
Others	615.41	606.90
	46,296.08	**47,677.14**
3.20 Other Income		
Interest income		
- On bank deposits	167.92	10.11
- Other interest income	14.79	7.52
Dividend income from non-current investments	700.00	472.50
Net gain on foreign currency transactions and translations	390.18	-
Miscellaneous income #	393.75	40.94
	1,666.64	**531.07**

Miscellaneous income includes an amount of ₹ 346.46 Lakhs representing write back of provision created against duty towards advance authorisation and CENVAT on HCL provided against order of Customs department.

3.21 Cost of materials consumed		
Opening stock	2,093.39	2,812.10
Add: Purchases	20,829.71	22,562.25
	22,923.10	**25,374.35**
Less: Closing stock	1,868.82	2,093.39
	21,054.28	**23,280.96**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

		Year Ended 31 March 2024	Year Ended 31 March 2023
3.22	**Changes in inventories of finished goods and work-in-progress**		
	Opening Stock		
	Finished goods	2,046.47	1,883.06
	Work-in-progress	3,714.07	3,840.96
		5,760.54	**5,724.02**
	Less:		
	Closing Stock		
	Finished goods	2,195.63	2,046.47
	Work-in-progress	4,326.77	3,714.07
		6,522.40	**5,760.54**
		(761.86)	**(36.52)**
3.23	**Employee benefits expense**		
	Salaries and wages	3,827.93	3,705.25
	Contribution to provident and other funds	398.24	393.38
	Workmen and staff welfare expenses	605.13	528.38
		4,831.30	4,627.01
	Less: Transfer to research and development expenditure (refer note 3.26.1)	(177.28)	(167.72)
		4,654.02	**4,459.29**
3.24	**Finance costs**		
	Interest expense- borrowings	56.74	235.14
	Interest expense - fair value costs	45.05	98.70
	Interest expense - others	131.70	1.41
		233.49	**335.25**
3.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets (refer note 3.01)	1,356.41	1,290.97
	Amortisation of intangible assets (refer note 3.02)	51.97	28.47
		1,408.38	**1,319.44**
3.26	**Other expenses**		
	Consumption of stores, spares and consumables	758.03	845.21
	Effluent discharge charges	121.03	138.59
	Contract labour charges	154.92	148.13
	Packing materials consumed	360.19	370.63
	Research and development expenditure (refer note 3.26.1)	209.25	206.07
	Power, fuel, water and gas	5,212.05	5,223.32
	Repairs		
	- Building	154.54	177.38
	- Plant and equipment	1,126.42	1,060.59
	- Others	496.71	455.41
	Loading, transportation and other charges on products	695.47	727.58
	Freight on exports	124.60	537.84
	Insurance	122.08	107.38
	Rent	66.73	58.40
	Rates and taxes	106.99	380.16
	Postage and telephone	43.11	42.75
	Printing and stationery	20.95	16.18
	Traveling and conveyance	302.35	209.58
	Payments to statutory auditor (refer note 3.26.2)	32.28	25.91
	Advertisement and publicity	174.38	86.97
	Professional and consultancy charges	312.05	202.91
	Bank charges	55.97	72.69
	Expenses on corporate social responsibility activities (refer note 3.26.3)	81.73	58.02
	Loss on assets sold/written off (net)	51.28	104.82
	Security service charges	218.48	222.99
	Net loss on foreign currency transactions and translations (refer note 3.26.4)	-	225.89
	Miscellaneous expenses (refer note 3.26.5)	386.01	334.25
		11,387.60	**12,039.65**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

	Year Ended 31 March 2024	Year Ended 31 March 2023
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	177.28	167.72
Other expenses (net of recoveries)	31.97	38.35
	209.25	**206.07**
(b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	9.89	4.02
3.26.2 Payments to Statutory auditor		
For statutory audit	29.50	23.05
For other attest services*	11.55	8.80
Reimbursement of expenses	2.78	2.86
	43.83	**34.71**

* This fee is reimbursed by Nitta Gelatin Inc, Japan

3.26.3 Corporate Social Responsibility (CSR)

		Year Ended 31 March 2024	Year Ended 31 March 2023
a.	Amount required to be spent by the Company during the year	93.35	46.00
b.	Amount of expenditure incurred on:		
i.	Construction/acquisition of any asset	-	-
ii.	On purposes other than (i) above (refer note 3.26.3.1 & 3.26.3.2)	93.35	58.02
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.	Expenditure amounting to ₹ 68.91 Lakhs 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	

3.26.3.1 The amount for financial year 2023-24 includes ₹ 11.62 Lakhs, which is a portion of the excess spend during the financial year 2022-23.

3.26.3.2 The balance out of the excess spend of financial year 2022-23 amounting to ₹ 0.40 Lakhs 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. During the financial year 2022-23, as a matter of prudence and considering the challenges in establishing hedge effectiveness for cash flow hedge, the company had recognized the MTM loss on outstanding forward foreign exchange contracts amounting to ₹ 63.07 Lakhs in profit and loss account. However, based on the improved market conditions and the hedge effectiveness test performed by the Company during the year ended 31 March 2024, the cash flow hedge of the Company is found to be effective and hence, the MTM gain amounting to ₹ 2.93 Lakhs has been recognized in other comprehensive income.

3.26.5 Miscellaneous expense include an amount of ₹ Nil (31 March 2023: ₹ 0.07 Lakhs) made towards political contributions.

3.27 Earnings per share (EPS) (basic and diluted)

	Year Ended 31 March 2024	Year Ended 31 March 2023
a) Profit after tax attributable to equity shareholders	8,248.50	5,876.45
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 (₹)	**90.85**	**64.72**
e) Number of equity shares used to compute diluted earnings per share	9,079,160	9,079,160
f) Diluted earnings per share (₹)	**90.85**	**64.72**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

	Year Ended 31 March 2024	Year Ended 31 March 2023
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	7,825.46	7,853.94
Cash and cash equivalents	3,015.85	1,000.20
Bank balances other than cash and cash equivalents	4,122.73	59.86
Other financial assets	123.92	115.03
Inventories	9,095.08	8,501.45
Other current assets	1,124.67	740.15
Total current assets pledged as securities	**25,307.71**	**18,270.63**
Non-current		
First charge		
Property, plant and equipment (PPE) and capital work-in-progress	11,321.47	11,437.65
Total non-current assets pledged as securities	**11,321.47**	**11,437.65**
Total assets pledged as security	**36,629.18**	**29,708.28**

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., Japan	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 (Ballarpur, Maharashtra)	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 (till 31 May 2023)
	Mr. Sajiv K. Menon	Managing Director (from 1 June 2023) (Non Executive Director till 31 May 2023)
	Dr. Shinya Takahashi	Whole Time Director
	Mr. A.P.M.Mohammed Hanish IAS	Chairman
	Mr. S. Harikishore IAS	Non Executive Director
	Mr. M.K.C. Nair	Independent Director
	Mr. V. Ranganathan	Independent Director
	Mr. E. Nandakumar	Independent Director
	Mrs. Radha Unni	Independent Director (till 3 December 2023)
	Mrs. Shirley Thomas	Independent Director (from 8 May 2023)
	Dr Justice M. Jaichandren	Independent Director
	Mr.Yoichiro Sakuma	Independent Director (till 30 September 2023)
	Mr. Koichi Ogata	Non Executive Director

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Sale and Income								
1 Sale of Goods								
Nitta Gelatin Inc	-	-	8,013.28	8,844.06	-	-	8,013.28	8,844.06
Nitta Gelatin NA Inc	-	-	6,605.96	7,828.24	-	-	6,605.96	7,828.24
Bamni Proteins Limited	-	69.76					-	69.76
2 Receipt for software license								
Bamni Proteins Limited	3.53	2.60	-	-	-	-	3.53	2.60
3 Dividend income								
Bamni Proteins Limited	700.00	472.50	-	-	-	-	700.00	472.50
4 Support fee for service rendered recovered								
Bamni Proteins Limited	132.57	131.69	-	-	-	-	132.57	131.69
5 Reimbursement of expenses								
Bamni Proteins Limited	16.92	18.12	-	-	-	-	16.92	18.12
Purchase and Expenses								
1 Purchase of Goods:								
Bamni Proteins Limited	3,213.11	2,203.97	-	-	-	-	3,213.11	2,203.97
Nitta Gelatin Inc	-	-	-	-	-	-	-	-
2 Commission expense:								
Nitta Gelatin Inc								
- For Sale of Gelatin	-	-	34.72	27.87	-	-	34.72	27.87
- For Sale of Peptide	-	-	-	0.51	-	-	-	0.51
3 Purchase of RODTEP Scrips								
Bamni Proteins Limited	12.20	131.17	-	-	-	-	12.20	131.17
4 Rent paid								
Bamni Proteins Limited	1.20	1.20	-	-	-	-	1.20	1.20
5 Technical Assistance Fee:								
Nitta Gelatin Inc	-	-	28.57	18.08	-	-	28.57	18.08
6 Interest expense on External Commercial Borrowings								
Nitta Gelatin Inc	-	-	-	21.49	-	-	-	21.49
7 Reimbursement of Expenses (Net):								
Nitta Gelatin Inc	-	-	6.64	7.14	-	-	6.64	7.14
Nitta Gelatin NA Inc	-	-	2.45	-	-	-	2.45	-
Bamni Proteins Limited	14.97	18.46	-	-	-	-	14.97	18.46
8 Donations/Corporate Social Responsibility contribution								
K.T.Chandy Seiichi Nitta Foundation	68.91	58.02	-	-	-	-	68.91	58.02
9 Remuneration (refer note below)								
Mr. Philip Chacko M	-	-	-	-	30.52	164.93	30.52	164.93
Dr Shinya Takahashi	-	-	-	-	24.52	24.47	24.52	24.47
Mr. Sajiv K. Menon	-	-	-	-	169.33	-	169.33	-
10 Sitting fees								
Mr. V. Ranganathan Independent Director	-	-	-	-	4.90	2.75	4.90	2.75
Mrs. Shirley Thomas Independent Director	-	-	-	-	2.80	-	2.80	-
Mr. Sajiv K. Menon - Nominee Director	-	-	-	-	0.80	1.25	0.80	1.25
Mr. M.K.C. Nair - Independent Director	-	-	-	-	2.80	1.50	2.80	1.50
Mr. E. Nandakumar Independent Director	-	-	-	-	5.15	2.50	5.15	2.50
Mrs. Radha Unni Independent Director	-	-	-	-	3.95	2.75	3.95	2.75
Dr. Justice M. Jaichandren Independent Director	-	-	-	-	4.40	2.00	4.40	2.00
Mr.Yoichiro Sakuma Independent Director	-	-	-	-	1.05	1.00	1.05	1.00

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (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.)*

	Mr. Rajamanickam IAS	-	-	-	-	-	0.25	-	0.25
	Mr. S. Harikishore IAS	-	-	-	-	0.40	0.25	0.40	0.25
	Mr. APM Mohammad Hanish IAS	-	-	-	-	2.00	1.25	2.00	1.25
11	Dividend paid on equity shares								
	Nitta Gelatin Inc	-	-	292.52	156.01	-	-	292.52	156.01
	Kerala State Industrial Development Corporation	-	-	214.67	114.49	-	-	214.67	114.49
12	Dividend on preference shares								
	Nitta Gelatin Inc	-	-	45.00	119.37	-	-	45.00	119.37
13	Interest on inter corporate loan								
	Bamni Proteins Limited	4.78	-	-	-	-	-	4.78	-

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.

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 2024	**31 March 2023**	**31 March 2024**	**31 March 2023**	**31 March 2024**	**31 March 2023**
Investments						
1 Bamni Proteins Limited	350.00	350.00	-	-	350.00	350.00
Receivables						
1 Nitta Gelatin Inc	-	-	1,508.44	1,510.44	1,508.44	1,510.44
2 Nitta Gelatin NA Inc	-	-	2,149.45	2,577.73	2,149.45	2,577.73
Payables						
1 Bamni Proteins Limited	527.85	354.75	-	-	527.85	354.75
2 Bamni Proteins Limited Intercorporate Loans	1,454.69	-	-	-	1,454.69	-
2 Nitta Gelatin Inc						
-Term loan -	-	-	-	-	-	
-Other payables	-	-	47.57	42.85	47.57	42.85
3 Nitta Gelatin NA Inc						
-Other payables	-	-	70.79	27.94	70.79	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 2024. 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 2024**	**Year ended 31 March 2023**
Sales of products	46,296.08	47,677.14
	46,296.08	**47,677.14**

(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 2024**	**Year ended 31 March 2023**
India	28,110.66	26,686.26
Outside India	18,185.42	20,990.88
	46,296.08	**47,677.14**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

3.30 Segment Information (cont'd)

(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 2024	Year ended 31 March 2023
India	12,549.72	12,741.46
Outside India	-	-
	12,549.72	**12,741.46**

(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 2024	Year ended 31 March 2023
Revenue from top customer	8,013.28	8,844.06
Revenue from customers contributing 10% or more to the Company's revenues from product sale	21,680.12	23,149.08

3.31 Provisions, Contingent liabilities and Commitments

3.31.1 Provisions

Nature of Provision	As at 1 April 2023	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	As at 31 March 2024
Provision for Central Excise Duty	132.29	-	-	132.29	-
[refer note 3.31.1(i)]	(132.29)	-	-	-	(132.29)
Provision for Central Sales Tax	-	-	-	-	-
[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 in earlier years, which was disputed by the Company. As a matter of prudence, the Company had created a provision of ₹ 132.29 Lakhs in prior years and the balance amount of ₹ 218.46 Lakhs was disclosed as a contingent liability till the previous year. During the year, the Central Excise department has issued an order in favour of the Company. Hence the provision carried in the books amounting to ₹ 132.29 Lakhs has been reversed in the current year and the contingent liability of ₹ 218.46 Lakhs has been extinguished.

3.31.1(ii) The Central Sales Tax authorities raised demand on assessment for an earlier year amounting to ₹ 28.74 Lakhs which was disputed in appeal. During the previous year, based on the conclusion of appellate proceedings , the company has settled the Sales tax demand based on appellate orders and has reversed the provision created accordingly.

3.31.2 Contingent Liabilities not provided for:

	As at 31 March 2024	As at 31 March 2023
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
c. Excise duty and service tax [refer note 3.31.1(i) and 3.31.2.(iii)]	219.06	434.18
d. Water cess [refer note 3.31.2(iv)]	20.22	-
e. Customs duty (refer note 3.31.3)	1,819.66	1,968.36
f. Goods and Service Tax (refer note 3.31.4)	136.80	-
2. Counter guarantee issued in favour of bankers	304.19	179.00
	2,667.54	**2,761.15**

3.31.2(i) The Income tax authorities has made certain dis allowances 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 2023: ₹ 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 2023: ₹ 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

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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) During the year, based on the conclusion of appellate proceedings and the consequent modified orders, the company has settled the pending Sales tax demands amounting 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 2023: ₹ 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 including interest aggregating to ₹ 88.77 Lakhs (31 March 2023: ₹ 85.39 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 2023: ₹ 123.13 Lakhs). 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, the Company has received a demand 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. The Company filed a writ petition against such order with the Honourable High Court of Kerala. Honourable 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, allowed the petition filed by the Company.

On a prudent basis, the Company had created 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 (since the government did not have the authority to levy the charges till such date).

During the year, the company received an additional demand from the Executive Engineer, Additional Irrigation Division, Thrissur, amounting to ₹ 20.22 Lakhs towards additional cess on water charges for the period 1 April 2017 to 31 March 2024. The Company has obtained a legal opinion that the demand would not be sustainable.

3.31.3 During an earlier year, the customs authorities had issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which was objected by the Company. During earlier years, the Commissioner of Customs had issued an order confirming demand of ₹ 877.15 Lakhs along with a penalty of ₹ 1,091.21 Lakhs. The Honourable Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide order dated 31 March 2024 has set aside the demand for ₹ 1,819.66 Lakhs and confirmed the demand for ₹ 148.70 Lakhs. The Company has provided for ₹ 148.70 Lakhs being the applicable duty as per the CESTAT order. Pending the expiry of the period of appeal, it is proposed to disclose ₹ 1,819.66 Lakhs as contingent liability as on 31 March 2024.

3.31.4. During the year the Company received a demand from Goods and Service tax department, Gujarat for an amount of ₹ 66.74 Lakhs (31 March 2023 - ₹ Nil). Additionally, the company has received a demand from Goods and Service tax department, Kerala amounting to ₹ 70.06 Lakhs (31 March 2023 - ₹ Nil). The company has received an expert opinion that the demand will not be sustainable and hence disclosed as contingent liability in the books as on 31 March 2024.

3.32 Commitments

3.32.1 Estimated amount of contracts remaining to be executed on capital account ₹ 1966.35 Lakhs (including ₹ 1230.20 Lakhs for a critical equipment required for the new collagen peptide expansion project. (31 March 2023: ₹ 464.96 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, 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 Advance Authorisation Scheme. 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 Lakhs (31 March 2023- ₹ 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 ₹ 444 Lakhs (31 March 2023: ₹ 3137.00 Lakhs) on account of advance Authorisation Scheme and ₹ Nil Lakhs (31 March 2023: ₹ 149.00 Lakhs) under the Export Promotion Capital Goods (EPCG) laid down by the Government of India. The Company expects to fulfill 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 2024 is ₹ 66.73 Lakhs (31 March 2023: ₹ 58.40 Lakhs).

The Company's 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 and are cancellable. 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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

3.36 Income Tax

The major components of income tax expense are:

	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax:		
Current income tax charge	2,424.61	2,275.75
Income tax relating to earlier year	44.87	-
Relating to the origination and reversal of temporary differences	269.95	(343.86)
Income tax expense reported in Statement of Profit and Loss	**2,739.43**	**1,931.89**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(3.53)	6.01
Income tax relating to measurement of financial assets through OCI	2.00	0.24
Income tax relating to (loss) / gain on cash flow hedges	0.74	(3.87)
	(0.79)	**2.38**

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 during the previous financial year. 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.

Reconciliation of deferred tax liability (net)	As at 31 March 2024	As at 31 March 2023
Opening balance of deferred tax liability	187.47	528.95
Tax expense during the year recognized in statement of profit and loss	269.95	(343.86)
Tax (credit)/expense during the year recognised in OCI	(0.79)	2.38
Closing balance of deferred tax liability	**456.63**	**187.47**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax and exceptional item	**10,987.93**	**7,808.34**
Tax on accounting profit at statutory income tax rate of 25.17 % (31 March 2023 : 25.17%)	2,765.66	1,965.36
Tax effect of:		
Non deductible expenses	29.20	60.33
Tax incentives and exempt income	(176.19)	(118.93)
Tax adjustment of prior years	44.87	22.82
Others	75.89	2.31
Tax expense recognised in the Statement of profit and loss	**2,739.43**	**1,931.89**

There are no unrecognised Deferred tax assets as on 31 March 2024.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (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 2024 and 31 March 2023 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 2024	Year Ended 31 March 2023
1	**The amounts recognized in the Balance Sheet are as follows:**		
	Present value of the obligation as at the end of the year	1,190.48	1,125.65
	Fair value of plan assets as at the end of the year	(1,144.24)	(1,078.71)
	Net liability recognized in the Balance Sheet	**46.24**	**46.94**
2	**Changes in the present value of defined benefit obligation**		
	Defined benefit obligation as at beginning of the year	1,125.65	1,125.87
	Current service cost	66.71	64.86
	Interest cost	78.29	80.75
	Actuarial losses/(gains) arising from		
	- change in financial assumptions	6.77	(36.43)
	Benefits paid	(86.94)	(109.40)
	Defined benefit obligation as at the end of the year	**1,190.48**	**1,125.65**
3	**Changes in the fair value of plan assets**		
	Fair value as at the beginning of the year	1,078.71	875.00
	Expected return on plan assets	77.79	58.88
	Contributions	80.00	242.45
	Actuarial loss on plan asset	(7.26)	(12.55)
	Benefits paid	(85.00)	(97.62)
	Fair value as at the end of the year	**1,144.24**	**1,078.71**
	Description of Plan Assets		
	Insurer managed funds (LIC of India)	1,144.24	1,078.71
	Assumptions used in the above valuations are as under:		
	Discount rate	7.23%	7.54%
	Expected rate of increase in compensation level	5.92%	5.51%
	Attrition rate	3%	4%
	Superannuation age	58	58
	Mortality	Indian Assured Lives Mortality [2012-14] Ultimate	
4	**Net gratuity cost for the year ended 31 March 2024 and 31 March 2023 comprises of following components:**		
	Current service cost	66.71	64.86
	Net interest cost on the net defined benefit liability	78.29	9.32
	Net defined benefit expense debited to statement of profit and loss	**145.00**	**74.18**
5	**Remeasurement (gain)/loss recognised in other comprehensive income**		
	Change in financial assumptions	(14.03)	23.88
	Recognized in other comprehensive income	**(14.03)**	**23.88**
6	**Weighted average duration of the defined benefit plan**	**10.63**	**12.35**
7	**Undiscounted Maturity Profile of Defined Benefit Obligation**		
	a) Within one year	124.88	96.97
	b) Within 2- 5 years	391.14	407.78
	c) Within 6- 10 years	589.59	563.50
	d) More than 10 years	1,225.17	1,288.48
		2,330.78	**2,356.73**

Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the company is exposed to follow risks:

a) Salary increase: higher than expected increases in salary will increase the defined benefit obligation

b) Discount rate: the defined benefit obligation calculated use a discount rate based on government bonds: if bond yields fall the defined benefit increase.

c) Mortality and disability: if the actual deaths and disability cases are lower or higher than assumed in the valuation, and can impact the defined benefit obligation

d) Withdrawals: if the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal races at subsequent valuations, it can impact defined benefit obligation.

e) The plan assets of the Company is invested in insurer managed fund of LIC. Changes in market factors might affect the return on such fund, which is futuristic.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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 ₹ 331.03 Lakhs (31 March 2023: ₹ 319.20 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:

Interest Rate Risk: The plan exposes the Company 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 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 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 2024		Year ended 31 March 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate (- / + 1%)	(82.85)	94.68	(81.04)	92.82
Salary Growth Rate (- / + 1%)	91.05	(82.98)	90.92	(81.96)
Attrition rate (- / + 1%)	3.47	(3.71)	5.09	(5.57)

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 2024 were as follows:

Particulars	Notes	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI
Assets:				
Investments	3.03	350.00	78.90	31.57
Cash and cash equivalents	3.09	3,015.85	-	-
Bank balances other than cash and cash equivalents	3.10	4,122.73	-	-
Trade receivable	3.08	7,825.46	-	-
Loans	3.04	10.82	-	-
Other financial assets	3.05			
Security deposits		453.47	-	-
Balance with bank-deposit account		5.21		
Earmarked balances with banks for unpaid dividend		18.94	-	-
Advances recoverable in cash or in kind		90.10	-	-
Hedge asset (foreign exchange forward contact)				2.93
Others		28.80	-	-
Total		**15,921.38**	**78.90**	**34.50**

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (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 FVOCI
Liabilities:				
Borrowings	3.13	2,717.82	-	-
Trade payable	3.15	2,972.97	-	-
Other financial liabilities	3.16			
Current maturities of long term borrowings		-	-	-
Unpaid dividend		18.94	-	-
Interest accrued and due on borrowings		-	-	-
Interest accrued but not due on borrowings		-	-	-
Hedge liability		-	-	-
Creditors for capital goods		3.69	-	-
Employee related liabilities		533.17	-	-
Others		4.30	-	-
Total		**6,250.89**	**-**	**-**

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	78.90	21.94
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**	**78.90**	**21.94**
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	-	-
Hedge liability		-	63.07	-
Employee related liabilities		508.31	-	-
Others		8.72	-	-
Total		**6,740.26**	**63.07**	**-**

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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2024	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	31.57	-	78.90	110.47
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	2.93	-	2.93
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	-	-	-	-

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 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 counter party 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 2024	As at 31 March 2023
Trade receivable	7,825.46	7,853.94
Loans to employees	10.82	9.86
Security deposit	453.47	385.82
Balances with Bank - Deposit Accounts	5.21	-
Earmarked balances with banks for unpaid dividend	18.94	17.40
Advances recoverable in cash or in kind	90.10	97.78
Hedge asset	2.93	-
Investments	460.47	450.84
Cash and cash equivalents **	3,015.85	1,000.20
Other bank balances **	4,122.73	59.86
Others	28.80	15.85
	16,034.78	**9,891.55**

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 four customers represented 60 % (2023 - three customers, 60 %) 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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

Movement in loss allowance

Particulars	As at 31 March 2024	As at 31 March 2023
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 2024

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	6,997.41	799.73	0.32	26.09	-	34.96
Less : Related party balances	(3,117.39)	(286.48)	-	-	-	(20.96)
Expected Loss Rate	0.07%	0.31%	27.13%	55.75%	100%	100%
Expected Credit Loss (Loss allowance)	2.82	1.59	0.09	14.55	-	14.00
Carrying Amount of Trade Receivables (net of impairment)	6,994.59	798.14	0.23	11.54	-	20.96

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	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	-	-

A2 Cash and cash equivalents

The credit risk for cash and cash equivalents and derivative financial instruments is considered negligible, since the counter parties 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:

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (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 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,308.70	409.12	-	2,717.82
Trade payable	2,972.97	-	-	2,972.97
Other financial liabilities	560.10	-	-	560.10
Total	**5,841.77**	**409.12**	**-**	**6,250.89**

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**

(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.

Particulars		**As at 31 March 2024**		**As at 31 March 2023**	
Included In	**Currency**	**Amount in foreign currency in Lakhs**	**Amount in ₹**	**Amount in foreign currency in Lakhs**	**Amount in ₹**
Financial assets					
Trade receivables	USD	50.02	4,141.99	51.16	4,177.30
	EURO	0.57	50.79	4.08	360.70
Financial liabilities					
Trade payables	USD	2.23	186.64	1.23	101.41
	EURO	0.08	6.86	-	-
	Japanese YEN	22.84	12.71	13.84	8.65
Non current borrowings		-	-	-	-
State bank of India	USD	-	-	4.26	352.05
		-	-	-	-
Current borrowings	USD	8.50	712.25	13.59	1,122.23
	Japanese YEN	254.75	141.74	1,389.97	868.73

Conversion rates	**Financial Assets**		**Financial Liabilities**		
	USD	EUR	EUR	USD	JPY
As at 31 March 2024	82.81	89.11	85.75	83.70	0.56
As at 31 March 2023	81.65	90.68	-	82.57	0.63

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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

3.39 Financial risk management *(cont'd)*

Impact on profit after tax	**Increase 31 March 2024**	**Decrease 31 March 2024**	**Increase 31 March 2023**	**Decrease 31 March 2023**
Sensitivity				
INR/USD	24.28	(24.28)	37.29	(37.29)
INR/EURO	0.33	(0.33)	3.70	(3.70)
INR/YEN	(1.16)	1.16	(0.09)	0.09

Impact on other components of equity	**Increase 31 March 2024**	**Decrease 31 March 2024**	**Increase 31 March 2023**	**Decrease 31 March 2023**
Sensitivity				
INR/USD	(90.19)	90.19	(161.93)	161.93

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 2024**	**31 March 2023**
Forward Contracts		
In USD (Lakhs)	107.51	119.00

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 2024 In USD Lakhs**	**31 March 2023 In USD Lakhs**
Not later than one month	10.70	14.00
Later than one month and not later than three months	23.69	28.00
Later than three months and not later than a year	73.12	77.00

a) Disclosure of effects of hedge accounting on financial position

31 March 2024 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*	8,903	-	April 2024-March 2025	1 USD = 83.925 INR	2.93	-

* Refer Note 3.26.4

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)	-

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

b) Disclosure of effects of hedge accounting on financial performance

31 March 2024 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	2.93	-	-	Not applicable

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

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 2024, 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 2024	As at 31 March 2023
Variable rate borrowing	409.12	846.43
Fixed rate borrowing	-	-
Total borrowings	**409.12**	**846.43**
Amount disclosed under other current borrowings	-	160.99
Amount disclosed under non-current borrowings	409.12	685.44

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)	(4.09)	(8.46)
Interest rates – decrease by 100 basis points (100 bps)	4.09	8.46

(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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

Particulars	As at 31 March 2024	As at 31 March 2023
Long term borrowings	409.12	685.44
Current maturities of long term borrowings	-	160.99
Short term borrowings	854.01	2,470.04
Trade payables	2,972.97	2,851.93
Less: Cash and cash equivalents	(3,015.85)	(1,000.20)
Less: Bank balances other than cash and cash equivalents	(4,122.73)	(59.86)
Net debt	**(2,902.48)**	**5,108.34**
Equity	907.92	907.92
Other equity	30,653.29	23,086.40
Capital and net debt	**28,658.73**	**29,252.66**
Gearing ratio	**0.00%**	**17.46%**

On account of its strong financial position and cash flows, the Company has repaid significant portion of its borrowings during the current year. Hence there is a decrease in the ratio.

3.41 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).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 ₹ 6 /- 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 recipient, 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

3.44 Key Ratios

Particulars	As at 31 March 2024	As at 31 March 2023	Variance
Current Ratio	3.38	2.41	40%
Debt-Equity Ratio	0.01	0.03	-67%
Debt Service Coverage Ratio	18.83	11.87	59%
Return on Equity Ratio	0.26	0.24	8%
Inventory turnover Ratio	5.26	5.39	-2%
Trade Receivables Turnover Ratio	5.79	6.05	-4%
Trade payables Turnover Ratio	14.30	20.18	-29%
Net capital Turnover Ratio	3.25	5.66	-43%
Net profit Ratio	0.18	0.12	50%
Return on Capital Employed	0.35	0.33	6%
Return on Investment	1.52	1.05	45%

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

Items included in above ratios

Particulars	Formula (Numerator/ Denominator)	Remarks for 25% change
Current Ratio	Current Assets/Current Liabilities	The augmentation in cash reserves, bank balances, and short-term deposits resulting from improved cash flow leads to a heightened current ratio
Debt-Equity Ratio	Total Debt/Shareholder's Equity	The company has settled all of its long-term borrowings, with the exception of the preference borrowing from NGI .
Debt Service Coverage Ratio	Earnings available for debt service/Debt Service Debt service = Interest & Lease Payments + Principal Repayments	There is a 33% increase in net operating income and considerable repayments made during the year.
Return on Equity Ratio	Net Profits after taxes/Average Shareholder's Equity	
Inventory turnover Ratio	Sales/Average Inventory	
Trade Receivables Turnover Ratio	Credit Sales/Average Accounts Receivable	
Trade payables Turnover Ratio	Purchases/Average Trade Payables	There has been a reduction in the purchase of raw materials made during the current year. Hence, there is a reduction in the ratio.
Net capital Turnover Ratio	Net Sales/Working Capital	The decline in sales turnover by 3% alongside an increase in cash, bank balances, and short-term deposits has elevated the balances of current assets, consequently augmenting the average working capital for the period. This, in turn, leads to a reduction in the Net Capital Turnover Ratio.
Net profit Ratio	Net Profit/ Net Sales	Increase in PAT resulting in increased NP ratio. The reason includes the reversal of provision towards slow moving inventory.
Return on Capital Employed	Earnings before interest and taxes/Capital Employed Capital employed = Total Assets Current Liabilities	
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).
2) provide any guarantee, 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, 2024.

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.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

3.45.2 Details of differences between stock statements submitted 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-2023	Inventory net of trade payables	7,737.71	7,932.50	(194.79)	Refer Note below#
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	July-Sep-2023	Inventory net of trade payables	8,446.36	8,311.03	135.33	Refer Note below#
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank"	Oct-Dec-2023	Inventory net of trade payables	8,536.02	8,479.75	56.27	Refer Note below#
	Oct-Dec-2023	Trade receivables	7,804.81	7,822.40	(17.59)	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank"	Jan-Mar-2024	Inventory net of trade payables	7,812.40	8,048.51	(236.11)	Refer Note below#

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 willful 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 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses SAP as accounting software for maintaining its books of accounts. Since enabling the feature of recording audit trail at the database level to log any direct data changes results in significant reduction in the performance capabilities of the software, the same was not enabled. However, the audit trail (edit logs) at the application level of the accounting software has operated throughout the year for all relevant transactions recorded in the software.

Further, the Company has used accounting software Zoho Books for recording the retail sales with effect from 1 March 2024. The said accounting software is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation) is not available for the year ended 31 March 2024.

3.50 The Board of Directors of the Company at its meeting held on 2 January 2023 had approved the issuance of equity shares of the Company having face value of ₹ 10/- each, on a Rights basis to eligible equity shareholders of the Company as on the Record Date (to be determined and notified later) for an amount of upto ₹ 4077.00 Lakhs (the "Rights Issue"), in accordance with the relevant SEBI Regulations, the Companies Act, 2013 and other applicable subject laws/regulations and subject to such regulatory and statutory approvals, as may be required in this regard. In view of the strong financial position of the Company based on its operational performance, the Board of Directors of the Company has decided to withdraw such proposal for the Rights Issue approved, as the proposed investment for the expansion projects will be financed through internal accruals/borrowings which is more cost effective and will be in the interest of the Company.

3.51 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 standalone financial statements.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024 (cont'd)

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

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: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

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

Qualified 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 2024, 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 material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 2024, 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 Qualified Opinion

3. In relation to the matter described in note 3.49 to the accompanying consolidated financial statements, the following qualification is given by us vide our audit report dated 9 May 2024 on the financial statements of Bamni Proteins Limited, the subsidiary of the Holding Company which is reproduced as under:

   "As stated in note 1(a) of the accompanying financial statements, the Maharashtra Pollution Control Board ('MPCB') conducted an inspection of the Company's factory premises and directed the Company to stop its manufacturing activities vide order dated 13 March 2024, on account of failure of the Company to comply with specified pollution control norms and conditions as stipulated in the 'consent to operate' letter ('consent letter') earlier issued by MPCB to the Company. Subsequently, the Company for long term sustainability of the unit, requested for an in-principle approval to lay a pipeline for the discharge of treated effluent water to a nearby river which was declined by the MPCB vide its letter dated 30 April 2024. As explained in the said note, management is of the opinion that there is no viable solution to ensure sustainable operations of the Company both commercially and technically, and consequently, the Board of Directors of the Company in its meeting dated 9 May 2024 have resolved to permanently close the operations of the Company by 25 July 2024. Accordingly, the financial statements of the Company have been prepared on a basis other than going concern as further detailed in note 2(a). In this respect, we further report that:

   (i) In absence of sufficient and appropriate audit evidence with respect to realisable value of Property, plant and equipment determined by the management as per basis of preparation detailed in note 2(a) and disclosed in note 3.01, we are unable to comment upon further adjustments, if any, that may be required to the carrying values of property, plant and equipment as at 31 March 2024 and any consequential impact thereof to the accompanying financial statements.

   (ii) In absence of a comprehensive assessment of potential impact of the aforesaid matter under various relevant laws and regulations, including environmental laws and labour laws applicable to the Company, we are unable to comment on whether any further adjustments may be required to the accompanying financial statements, beyond management's current assessment as disclosed in note 1(a), on account of aforesaid non-compliance with applicable pollution control norms and consequent sudden closure of operations."

4. 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 qualified opinion.

Key Audit Matters

5. 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.

6. In addition to the matters described in the Basis for Qualified Opinion section, 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 3.30 of the accompanying consolidated financial statements): Following are the significant matters relating to litigations that are outstanding as at 31 March 2024: i.Customs duty: ₹ 1,819.66 Lakhs ii.Other matters: ₹ 551.59 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 judgements 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 judgement, 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 Group, - 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 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
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(b) Impairment assessment of the carrying value of Property, Plant and Equipment at Reva Division:

(refer note 3.01 of the accompanying consolidated financial statements)

As at 31 March 2024, the Group is carrying Property, Plant and Equipment at Reva Division ('PPE') aggregating to ₹ 3,183.91 Lakhs in its financial statements, which is considered to be a separate cash generating unit ('CGU'). These balances are subject to a test of impairment by the management in accordance with Ind AS 36, Impairment of Assets ('Ind AS 36') in the current year as the management has identified impairment indicators as explained in note 3.01(f) to the accompanying financial statements.

The Holding Company has engaged external valuation expert to determine recoverable value of the PPE using discounted cash flow method which involves significant management judgement and high estimation uncertainty relating to identification of appropriate cash-generating unit, reasonable and consistent allocation of corporate assets, future cash flow projections using assumptions relating to budgeted revenue, operating margins, growth rates and appropriate discount rate.

As mentioned in note 3.01(f) to the consolidated financial statements, based on aforesaid impairment testing of the carrying value of PPE carried out by the management as at 31 March 2024, the total provision for impairment of assets carried in the books is ₹ 531.95 Lakhs as on 31 March 2024.

Considering the materiality of the amounts involved, significant judgment and high estimation uncertainty in determining the recoverable value of such PPE, this matter has been identified as a key audit matter in the current year audit.

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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 Reva Division 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.
- Engaged the auditor's expert to assess the reasonables of the valuation conducted by the management's expert.
- 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.

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</table>

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

7. 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

   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 identified above when it becomes available 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.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. As described in the Basis for Qualified Opinion section above, the financial statements of the Subsidiary Company have been prepared on a basis other than going concern, however, in the absence of sufficient appropriate audit evidence with respect to realisable value of Property plant and equipment, we are unable to comment upon further adjustments, if any, that may be required, in the books of accounts of the subsidiary company, to the carrying values of property, plant and equipment as at 31 March 2024 and further, in absence of comprehensive assessment of potential impact of the matter described in Basis for Qualified Opinion under various relevant laws and regulations, including environmental laws and labour laws applicable to the Subsidiary Company, we are also unable to comment on whether any further adjustments may be required to the accompanying financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

8. 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.

9. 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.

10. 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

11. 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.

12. 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 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;

- 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; and
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities 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 financial statements of such entities included in the financial statements, of which we are the independent auditors.

13. 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.

14. 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.

15. 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

16. 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.

17. 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 2024 and covered under the Act we report that:

A) Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 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)

18. 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 except for the matter described in the Basis for Qualified Opinion section, 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, except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section and except for the matters stated in paragraph 18(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

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) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, 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) The matter described in paragraph 3 of the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the Group;

f) On the basis of the written representations received from the directors of the Holding Company and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

g) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 3 of the Basis for Qualified Opinion section, paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in **'Annexure I'** wherein we have expressed a modified opinion; and

i) 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 notes 3.30 and 3.48 to the consolidated financial statements;

ii. The Holding Company, its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary covered under the Act, during the year ended 31 March 2024;

iv.

a. The respective managements of the Holding Company and its subsidiary 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 3.44.1(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 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 any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary 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 the note 3.44.1(c) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary 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 any such subsidiary 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 during the year ended 31 March 2024 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 has proposed final dividend for the year ended 31 March 2024 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. As stated in note 3.47 to the consolidated financial statements and based on our examination which included test checks, except for instances mentioned below, the Holding Company and Subsidiary, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

Nature of exception noted	Details of exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software SAP ERP to log any direct data changes, used for maintenance of all accounting records by the Holding Company and Subsidiary.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature.	The accounting software Zoho Books used for recording the retail sales of the Holding Company with effect from 1 March 2024, is operated by third party software service provider. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature of the said software were enabled and operated throughout the period for all relevant transactions recorded in the software.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 24206229BKGQYD4892

Place: Kochi
Date: 10 May 2024

Annexure I - 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, Bamni Proteins Limited (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2024, 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 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. 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 Institute of Chartered Accountants of India ('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 and 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.

Qualified Opinion

8. In relation to the matter described in note 3.49 to the accompanying consolidated financial statements, the following qualification is given by us vide our audit report dated 9 May 2024 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, of Bamni Proteins Limited, the subsidiary of the Holding Company, which is reproduced as under:

   According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements in relation to financial statements closure process as at 31 March 2024:

   a) In the absence of sufficient appropriate audit evidence with respect to assessment of the recoverable amount of property, plant and equipment determined by the management as per basis of preparation detailed in note 2(a) and disclosed in note 3.01 to the accompanying financial statements, we are unable to comment on whether the Company's internal financial control was operating effectively, which could potentially lead to adjustments, if any, that may be required to the carrying values of property, plant and equipment as at 31 March 2024 and any consequential impact thereof to the accompanying standalone financial statements.

   b) In absence of a comprehensive assessment of potential impact of the non-compliance with applicable pollution control norms and conditions under various relevant laws and regulations, including environmental laws and labour laws applicable to the Company, we are unable to comment on whether the Company's internal financial control with reference to financial statements were operating effectively, which could potentially lead to further adjustments that may be required to the accompanying financial statements, beyond management's current assessment as disclosed in note 1(a), on account of the aforesaid non-compliance with applicable pollution control norms and resultant sudden closure of operations, and its consequential impact thereof on the accompanying standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Group has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2024, 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 ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as at 31 March 2024.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Group as at and for the year ended 31 March 2024, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group, and we have issued a qualified opinion on the consolidated financial statements.

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

Krishnakumar Ananthasivan
Partner
Membership No.: 206229
UDIN: 24206229BKGQYD4892

Place: Kochi
Date: 10 May 2024

Nitta Gelatin India Limited

Consolidated Balance Sheet as at 31 March 2024

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

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3.01	11,308.41	11,291.29
(b) Capital work-in-progress	3.01	787.88	663.12
(c) Other intangible assets	3.02	77.82	93.86
(d) Financial assets			
(i) Investments	3.03	110.47	100.84
(ii) Loans	3.04	6.79	6.41
(iii) Other financial assets	3.05	546.37	486.61
(e) Deferred tax assets (net)	3.14	-	37.15
(f) Non-current tax assets (net)		1,234.85	733.06
(g) Other non-current assets	3.06	1,155.87	1,218.04
		15,228.46	**14,630.38**
Current Assets			
(a) Inventories	3.07	9,642.63	9,306.12
(b) Financial assets			
(i) Trade receivables	3.08	8,531.34	8,775.41
(ii) Cash and cash equivalents	3.09	3,446.70	3,022.32
(iii) Bank balances other than cash and cash equivalents	3.10	4,122.73	59.86
(iv) Loans	3.04	4.03	3.45
(v) Other financial assets	3.05	126.24	122.51
(c) Other current assets	3.06	1,170.89	824.82
		27,044.56	**22,114.49**
Total Assets		**42,273.02**	**36,744.87**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	3.11	907.92	907.92
(b) Other equity	3.12	33,435.42	25,852.74
Equity attributable to owners of the parent		34,343.34	26,760.66
Non controlling interests		696.73	700.14
		35,040.07	**27,460.80**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	409.12	685.44
(b) Provisions	3.17	77.02	195.92
(c) Deferred tax liabilities (net)	3.14	417.63	136.96
		903.77	**1,018.32**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	995.89	3,237.16
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	3.15	126.26	99.94
b) Total outstanding dues of creditors other than micro and small enterprises	3.15	2,592.06	2,772.65
(iii) Other financial liabilities	3.16	555.80	634.93
(b) Other current liabilities	3.18	760.48	643.67
(c) Provisions	3.17	503.71	270.08
(d) Current tax liabilities (net)		794.98	607.32
		6,329.18	**8,265.75**
Total Equity and Liabilities		**42,273.02**	**36,744.87**

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: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

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 2024

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

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations	3.19	53,273.30	56,536.64
Other income	3.20	1,119.13	81.80
Total income		**54,392.43**	**56,618.44**
EXPENSES			
Cost of materials consumed	3.21	23,344.12	26,910.25
Changes in inventories of finished goods and work-in-progress	3.22	(726.46)	53.14
Employee benefits expense	3.23	5,679.39	5,079.59
Finance costs	3.24	240.00	343.57
Depreciation and amortisation expenses	3.25	1,514.61	1,412.38
Other expenses	3.26	12,702.92	13,209.62
Total expenses		**42,754.58**	**47,008.55**
Profit before exceptional items and tax		**11,637.85**	**9,609.89**
Exceptional items	3.48	-	**296.87**
Profit before tax		**11,637.85**	**9,906.76**
Tax expense			
Current tax	3.35	2,858.72	2,875.76
Income tax relating to earlier years		49.65	8.88
Deferred tax charge/(credit)		318.61	(367.87)
Profit for the year		**8,410.87**	**7,389.99**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
a) Re-measurement (loss)/gain on defined benefit plans		(14.03)	20.58
Income tax relating to items that will not be subsequently reclassified to profit or loss		3.53	(5.18)
		(10.50)	**15.40**
b) Measurement of financial assets through other comprehensive income		9.64	1.16
Income tax relating to items that will not be subsequently reclassified to profit or loss		(2.00)	(0.24)
		7.64	**0.92**
Net of items that will not be reclassified subsequently to profit or loss:		**(2.86)**	**16.32**
Items that will be reclassified subsequently to profit or loss:			
a) Gain/(loss) recognised on cash flow hedges		2.93	(16.58)
Income tax relating to items that will be reclassified to profit or loss		(0.74)	4.69
Net of items that will be reclassified subsequently to profit or loss:		**2.19**	**(11.89)**
Total other comprehensive (loss)/income, net of tax		**(0.67)**	**4.43**
Total comprehensive income for the year		**8,410.20**	**7,394.42**
Profit attributable to:			
Equity holders of the Company		**8,264.28**	**7,031.11**
Non-controlling interest		**146.59**	**358.88**
Other comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(0.67)**	**5.30**
Non-controlling interest		**-**	**(0.87)**
Total comprehensive income attributable to:			
Equity holders of the Company		**8,263.61**	**7,036.41**
Non-controlling interest		**146.59**	**358.01**
Earnings per equity share (₹ per share)	3.27		
Basic		**91.02**	**77.44**
Diluted		**91.02**	**77.44**

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: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

E. Nandakumar
Director
DIN: 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Nitta Gelatin India Limited

Consolidated Statement of Cash Flows for the year ended 31 March 2024

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activities:		
Profit before tax	**11,637.85**	**9,906.76**
Adjustments for:		
Depreciation and amortisation expense	1,514.60	1,412.38
Gain/(loss) on disposal of Property, plant and equipment (net)	56.97	(150.18)
Finance costs	240.00	343.57
Interest income	(275.93)	(77.55)
Liabilities no longer required written back	(0.24)	(0.44)
Writedown of capital work-in-progress to net realisable value	22.12	-
Unrealised foreign exchange (gain)/loss (net)	(16.03)	52.98
Operating profit before working capital changes	**13,179.34**	**11,487.52**
Adjustments for changes in working capital:		
Increase in trade receivables, other financial assets and other current assets	(587.41)	(28.08)
(Increase)/decrease in inventories	(336.52)	956.09
Increase in trade payables, other financial liabilities and other current liabilities	271.74	617.35
Increase/(Decrease) in provisions	100.70	(334.27)
Cash generated from operations	**12,627.85**	**12,698.61**
Income taxes paid (net of refund)	(3,222.50)	(2,594.18)
Net cash generated from operating activities - (A)	**9,405.35**	**10,104.43**
B. Cash flow from investing activities:		
Payments for purchase of property, plant and equipment, capital work in progress and intangible assets	(1,624.51)	(2,163.05)
Proceeds from disposal of property, plant and equipment (including exceptional item)	18.17	272.89
Increase in other bank balances with maturity more than three months	(4,052.40)	(9.59)
Interest received	268.58	71.08
Net cash used in investing activities - (B)	**(5,390.16)**	**(1,828.67)**
C. Cash flow from financing activities:		
Proceeds from non-current borrowings	-	216.81
Repayment of non-current borrowings	(278.83)	(2,171.76)
Repayment of current borrowings (net)	(2,238.16)	(2,768.19)
Dividend paid	(829.40)	(462.92)
Interest paid	(244.42)	(276.67)
Net cash used in financing activities - (C)	**(3,590.81)**	**(5,462.73)**
Net increase in cash and cash equivalents - (A)+(B)+(C)	**424.38**	**2,813.03**
Cash and Cash Equivalents at beginning of the year	**3,022.32**	**209.29**
Cash and Cash Equivalents at the end of the year	**3,446.70**	**3,022.32**
	424.38	**2,813.03**
Components of cash and cash equivalents (refer note 3.09)		
a) Cash on hand	4.36	2.25
b) Balance with banks:		
- in current accounts	520.82	1210.67
- in deposit accounts with a maturity of less than three months	2921.52	1809.40
	3,446.70	**3,022.32**

The above Consolidated Statement of Cash Flows 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 Statement of Cash Flow 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

Sajiv K. Menon
Managing Director
DIN: 00168228

E. Nandakumar
Director
DIN: 00802428

Place: Kochi
Date: 10 May 2024

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 2024

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

A. Equity share capital

	Balance as at 1 April 2023	Changes in equity share capital during the period	Balance as at 31 March 2024
1) For the period from 1 April 2023 to 31 March 2024	907.92	-	907.92

	Balance as at 1 April 2022	Changes in equity share capital during the period	Balance as at 31 March 2023
2) For the period from 1 April 2022 to 31 March 2023	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	-	-	-	-	-	-	-	**-**
Transactions with owners of the company													
Dividend paid	-	-	(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 1st April 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**
Profit for the year	-	-	8,264.28	-	-	-	-	-	-	-	8,264.28	146.59	**8,410.87**
Transfer to retained earnings	-	-	(53.75)	-	-	-	-	-	-	53.75	-	-	**-**
Other comprehensive income/(loss)	-	-	-	-	-	-	-	2.19	7.64	(10.50)	(0.67)	-	**(0.67)**
Transactions with owners of the company													
Dividend paid	-	-	(680.93)	-	-	-	-	-	-	-	(680.93)	(150.00)	**(830.93)**
Balance as at 31 March 2024	**984.43**	**2,895.90**	**17,467.76**	**79.00**	**1,580.00**	**2,750.62**	**7,947.86**	**2.19**	**23.84**	**(296.18)**	**33,435.42**	**696.73**	**34,132.15**

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: 10 May 2024

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

Sajiv K. Menon
Managing Director
DIN: 00168228

E. Nandakumar
Director
DIN: 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

(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 Nitta Center, SBT Avenue, P B No. 4262, Panampilly Nagar, Ernakulam, Kerala. India. 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 10 May 2024.

2. Summary of material accounting policies

a) Basis of accounting and preparation

These Consolidated Financial Statements are 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.

The financial statements of the Subsidiary Company has been prepared using a basis of accounting other than going concern - refer note 3.49.

b) Basis of consolidation

The consolidated financial statements of the group include:

Subsidiary	Country of incorporation	Percentage of share holding/voting power	
		31 March 2024	31 March 2023
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 2024. 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 arrangements
- 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.

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

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

b) Basis of consolidation (cont'd)

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 2024. 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 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

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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

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. 2.34, 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 outstanding 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.

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

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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.

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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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.

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.

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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

j) 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.

k) Inventories

Functional and presentation currency

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.

l) 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, unless a 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.

m) 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 installments.

n) 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 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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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 set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

o) 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.

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.

p) 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 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

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

p) Financial instruments *(cont'd)*

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 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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

p) Financial instruments *(cont'd)*

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.

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.

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.

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.

q) 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:

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

p) Financial instruments *(cont'd)*

- 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.

r) 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

s) 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.

t) Dividend distribution to equity holders
Dividends to the Company's equity shareholders are recognised when the dividends are approved for payment by the shareholders.

u) 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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

v) Application of new accounting pronouncements

(i) Definition of Accounting Estimates - Amendments to Ind AS 8 - Application of the amendment does not have any material impact on the financial statements

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1- Application of the amendment does not have any material impact on the financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 - Application of the amendment does not have any material impact on the financial statements.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (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 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**
Additions	-	0.12	364.37	1,082.32	9.56	64.76	30.73	1,551.86	458.15
Disposals	-	-	4.22	428.46	0.72	12.75	-	446.15	311.27
Balance as at 31 March 2024	**470.37**	**1,152.18**	**4,321.01**	**15,180.07**	**103.27**	**265.92**	**134.57**	**21,627.39**	**810.00**
Accumulated depreciation and impairment									
Balance as at 1 April 2022	**-**	**143.64**	**1,417.26**	**6,453.16**	**51.57**	**130.79**	**28.19**	**8,224.61**	**-**
Depreciation charge for the year (refer note 3.25)	-	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**	**-**
Depreciation charge for the year (refer note 3.25)	-	12.07	213.03	1,153.16	9.81	45.99	25.56	1,459.62	-
Disposals	-	-	1.22	357.31	0.68	11.82	-	371.03	-
Provision for write down of capital work-in-progress (refer note 3.01(h))	-	-	-	-	-	-	-	-	22.12
Balance as at 31 March 2024	**-**	**165.06**	**1,820.56**	**8,015.36**	**68.10**	**187.18**	**62.72**	**10,318.98**	**22.12**
Net carrying amount									
As at 31 March 2023	**470.37**	**999.07**	**2,352.11**	**7,306.70**	**35.46**	**60.90**	**66.68**	**11,291.29**	**663.12**
As at 31 March 2024	**470.37**	**987.12**	**2,500.45**	**7,164.71**	**35.17**	**78.74**	**71.85**	**11,308.41**	**787.88**

Note:

a. **Contractual obligations**
Refer note 3.31.

b. **Capitalised borrowing cost**
Borrowing costs capitalised during the year ended 31 March 2024 is ₹ Nil (31 March 2023: ₹ 27.63 Lakhs).

c. **Property, plant and equipment pledged as security**
Refer note 3.28

d. Additions to Plant & Equipment include Research & Development Assets capitalised during the year ₹ 9.89 Lakhs (31st March 2023 - ₹ 4.02 Lakhs) (Refer note 3.26.1)

e. The gross carrying value, accumulated depreciation and net carrying value as at 31 March 2024 and 31 March 2023 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). To comply with pollution control board guidelines, the Holding Company needs to incur additional expense for manufacture of 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. Though the Holding Company started generating positive cash flows from these identifiable group of assets, there is an uncertainity in sustaining the current market price of the product in the coming quarters. Hence as a matter of prudence, management is of the view that the existing provision for impairment created in the books during previous period, based on impairment testing carried out then in the manner prescribed in Ind AS 36, amounting to ₹ 531.95 Lakhs is to be retained in books till sustainable positive cash flows are achieved from this identifiable group of assets. The carrying value and recoverable value of these assets are ₹ 3,183.91 Lakhs and ₹ 2,651.96 Lakhs respectively.

g. Right of Use Asset includes "Leasehold land" which represents land obtained on long term lease from Government authorities. (refer note 3.34)

h. Capital work-in-progress of the subsidiary company has been writtten down to ₹ Nil to conform to the basis of accounting other than going concern followed by the Subsidiary Company. Refer note 3.49

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (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 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	383.78	224.33	176.71	3.06	787.88
Projects temporarily suspended	-	-	-	-	-

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		-	-	-	-

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
Gross carrying amount:		
Balance as at 1 April 2022		**164.56**
Additions		64.51
Balance as at 31 March 2023		**229.07**
Additions		38.95
Balance as at 31 March 2024		**268.02**
Accumulated depreciation		
Balance as at 1 April 2022		**103.05**
Amortisation for the year (refer note 3.25)		32.16
Balance as at 31 March 2023		**135.21**
Amortisation for the year (refer note 3.25)		54.99
Balance as at 31 March 2024		**190.20**
Net carrying amount		
As at 31 March 2023		**93.86**
As at 31 March 2024	-	**77.82**

Note:

Contractual obligation

There are no contractual commitments for the acquisition of intangible assets.

	As at 31 March 2024	As at 31 March 2023
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	31.53	21.93
(b) 100 (100) Equity Shares of ₹10 each in Industrial Finance Corporation of India Limited, fully paid up	0.04	0.01
Aggregate amount of quoted investments	**31.57**	**21.94**
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	**110.47**	**100.84**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

	As at 31 March 2024	As at 31 March 2023
Aggregate amount of quoted investments	31.57	21.94
Aggregate market value of quoted investments	31.57	21.94
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 2024	As at 31 March 2023
3.04	**Loans**		
	Non-current		
	(Unsecured, considered good)		
	Loan to employees	6.79	6.41
		6.79	**6.41**
	Current		
	(Unsecured, considered good)		
	Loan to employees	4.03	3.45
		4.03	**3.45**

The loans are given to employees at an interest rate which is aligned with the market rate of interest.
There are no amounts which are over due.

3.05	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	516.86	442.33
	Balances with banks - deposit accounts with remaining maturity period greater than 12 months	10.57	-
	Earmarked balances with banks for unpaid dividend**	18.94	44.28
		546.37	**486.61**

** Balance with banks in deposit accounts (having original maturity period of more than 12 months) includes ₹ 5.36 Lakhs

	Current		
	(Unsecured, considered good)		
	Security deposits	2.09	1.40
	Advances recoverable in cash or in kind #	90.10	97.78
	Hedge asset (foreign exchange forward contract)	2.93	-
	Others	31.12	23.33
		126.24	**122.51**

** Not due for deposit in the Investor Education and Protection Fund (IEPF).
** There has been no delay in transfer of funds to Investor Education and Protection Fund (IEPF).
# Represents salary advances given to employees in accordance with the employment policy.

3.06	**Other assets**		
	Non-current		
	(Unsecured, considered good)		
	i. Capital advance	6.33	157.99
	ii. Advances other than capital advances;		
	a. Other advances		
	Prepaid expenses	26.54	13.53
	iii. Others		
	Export incentive receivable (refer note (a) below)	1,004.52	937.95
	VAT refund receivable	6.28	42.78
	Deposit with government authorities	65.79	65.79
	Others	46.41	-
	(Unsecured, considered doubtful)		
	Export incentive receivable (refer note (a), (b) and (c) below)	184.22	199.28
	Less: Provision for doubtful receivable	(184.22)	(199.28)
		1,155.87	**1,218.04**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

	As at 31 March 2024	As at 31 March 2023
Current		
(Unsecured, considered good)		
i. Advances other than capital advances;		
Advances to suppliers and contractors	685.30	298.28
Prepaid expenses	236.00	223.12
ii. Others		
Balances with statutory authorities	34.15	35.35
Export incentive receivable/benefit (RoDTEP & Advance authorisation)	210.71	268.07
Others	4.73	-
	1,170.89	**824.82**

The Subsidiary Company has written down balances receivable grouped under other assets to the extent of ₹ 63.46 Lakhs to conform to the basis of accounting other than going concern. Refer notes 3.49.

Export incentives receivable includes:

(a) Claims amounting to ₹ 208.18 Lakhs (31 March 2023: ₹ 208.18 Lakhs) under Duty Entitlement Pass Book (DEPB) Scheme recognised as income in earlier years. The Holding Company had also availed Duty Drawback benefit for the corresponding periods amounting to ₹ 41.51 Lakhs.

(31 March 2023: ₹ 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 DEPB on the underlying exports on some other technical grounds. During the previous year the company had 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 2023: ₹ 64.62 Lakhs) which has been decided against the Company by the division bench of the Hon'ble High Court of Kerala. The Group has sought further appeal before Hon'ble Supreme Court and although the Group 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, Holding Company had made a provision of ₹ 36.12 Lakhs towards All Industry duty drawback claims which were pending for clearance from customs department, out of which, during the current financial year, company received a claim amount of ₹ 15.06 Lakhs. Balance provision of ₹ 6.46 Lakhs is carried in the books of accounts as at 31 March 2024.

		As at 31 March 2024	As at 31 March 2023
3.07	**Inventories**		
	Raw materials #	1,788.87	2,289.78
	Raw materials in-transit	159.10	72.16
	Work-in-progress	4,245.09	3,823.18
	Finished goods	2,740.25	2,435.70
	Stores and spares #*	619.65	580.59
	Packing materials*	89.67	104.71
		9,642.63	**9,306.12**

#The cost of raw materials consumed for the year ended 31 March 2023 includes provision created towards slow moving inventory of fish protein amounting to ₹ 770.15 Lakhs, which was created on account of significant reduction in the demand of the associated finished product (fish peptide) in the export market due to various macro-economic factors including recession in the global market. During the current year, the market conditions has improved significantly, which has resulted in the increase in the demand for fish peptide. Accordingly, the Group has reversed a provision amounting to ₹ 697.62 Lakhs in the current year based on consumption of suchfish protein.

* During the year, the Subsidiary Company has written down packing material & stores and spares amounting to ₹ 3.59 Lakhs and ₹ 29.58 Lakhs respectively to conform to the basis of accounting other than going concern followed by the Subsidiary Company. refer note 3.49

For inventories hypothecated as security refer note 3.28

Method of valuation of inventories- refer 2(k) of significant accounting policies.

3.08	**Trade Receivables**		
	Unsecured		
	Considered good	8,559.79	8,803.86
	Credit impaired	4.60	4.60
		8,564.39	**8,808.46**
	Less: Loss allowance	(33.05)	(33.05)
		8,531.34	**8,775.41**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

Ageing of Receivables for the year ended 31 March 2024

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	8,477.79	26.11	55.86	-	0.03	8,559.79
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	4.60	4.60
Less: Loss allowance	-	-	-	-	-	(33.05)
Total Trade receivables						**8,531.34**

Ageing of Receivables for the year ended 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	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**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
Presumption that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted based on the past experience of realisation of the debtors.
There are no significant increase in credit risk as at the reporting date.

		As at 31 March 2024	As at 31 March 2023
3.09	**Cash and Cash Equivalents**		
	Balance with banks		
	- In Current accounts	520.82	1,210.67
	- In deposit accounts with maturity less than three months	2,921.52	1,809.40
	Cash on hand	4.36	2.25
		3,446.70	**3,022.32**
3.10	**Bank balances other than cash and cash equivalents**		
	Balance with banks (with maturity more than three months but less than twelve months)		
	- In deposit accounts*	4,122.73	59.86
		4,122.73	**59.86**

* Balance with banks in deposit accounts include ₹ 305.00 Lakhs (31 March 2023: ₹ 59.86 Lakhs) with a 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 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount.
(a) Authorised				
Equity share of ₹10 each	40000000	4,000	40000000	4,000
Optionally Convertible on cumulative preference shares of ₹ 170 each	929412	1580	929412	1580
Optionally Convertible non cumulative preference shares of ₹ 10 each	20000000	2000	20000000	2000
Redeemable Preference Shares of ₹ 10 each	4444444	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	9079160	907.92	9079160	907.92
	9079160	**907.92**	**9079160**	**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 2024		As at 31 March 2023	
	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**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

(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 company having substantial interest

Particulars	As at 31 March 2024		As at 31 March 2023	
	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 2024		As at 31 March 2023	
	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 2024

Particulars	As at 31 March 2024		
	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	-

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 2024	As at 31 March 2023
Dividends on equity shares declared and paid for the year ended 31 March 2023 ₹ 7.5 per equity share (₹ 4 per share for financial year 2022-23)	680.94	363.17
Proposed cash dividend for the year ended 31 March 2024 - ₹ 6 per equity share (₹ 7.5 per share for financial year 2022-23)	544.75	680.94

(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 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
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 2024	As at 31 March 2023
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	1,580.00
Capital reserve on merger	2,750.62	2,750.62
Retained earnings	17,467.76	9,938.16
Items of Other comprehensive income		
- Hedge reserve	2.19	-
- Equity Instruments through OCI	23.84	16.20
- Remeasurement of defined benefit plans(net)	(296.18)	(339.43)
	33,435.42	**25,852.74**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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.

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.

	Particulars	As at 31 March 2024	As at 31 March 2023
3.13	**Borrowings**		
	Non current		
	(Secured)		
	Term loans from banks:		
	- From State Bank of India	-	437.38
	(Unsecured)		
	Loan from related party:		
	Liability component of redeemable preference shares	409.12	398.06
	Liability component of optionally convertible preference shares	-	10.99
		409.12	**846.43**
	(Secured)		
	Current maturities of non-current borrowings	-	(150.00)
	(Unsecured)		
	Current portion of liability component of optionally convertible preference shares	-	(10.99)
		409.12	**685.44**
	Current		
	(Secured)		
	Loans repayable on demand		
	From Banks:		
	Cash credits/working capital demand loans	283.64	1,992.45
	Bills discounting	712.25	1,083.72
	Current maturities of non-current borrowings	-	150.00
	(Unsecured)		
	Current portion of liability component of optionally convertible preference shares	-	10.99
		995.89	**3,237.16**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.13 Borrowings (Non Current)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2024	As at 31 March 2023
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
			Refer note 3.13.1 below	**-**	**437.38**
Term loans from related party (Unsecured)					
ii	Redeemable Preference Shares		Refer note (3.13.2) below	409.12	398.06
	Liability component of optionally convertible preference shares		Refer note (3.13.3) below	-	10.99
				409.12	**409.05**

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

Particulars	As at 1 April 2023	Cash flows	Non cash changes	As at 31 March 2024
Non Current borrowings (including current maturities)	846.43	(278.83)	(158.48)	409.12
Current borrowings	3076.16	(2,238.16)	157.89	995.89

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)	2751.15	(1,954.95)	50.23	846.43
Current borrowings	5863.59	(2,768.19)	(19.24)	3,076.16

3.13.1 The Company has fully repaid the term loans taken from SBI during the current year.

3.13.2 Pursuant to the merger, the holding 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.

3.13.3 The Holding 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 current financial year.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.13. Borrwings (current) (cont'd)

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2024	As at 31 March 2023
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 Secured Overnight Financing Rate (SOFR) rates and for JPY denominated loans is 0.75 % to 2.00 % over the Tokyo Overnight Average (TONA) rates.	The loans are repayable on demand	995.89	1992.45
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 9 % to 10.1 %.	The loans are repayable on demand	-	1083.72
iii	Optionally convertible preference shares		Refer note (3.13.3)	-	-
				995.89	**3076.17**

	Particulars	As at 31 March 2024	As at 31 March 2023
3.14	**Deferred Tax**		
3.14.1	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability		
	Differences between book balance and tax balance of property, plant and equipment	642.44	694.17
	Timing differences on assessment of income	82.37	56.59
	Deferred Tax Assets		
	Deferred tax impact on fair value changes	15.33	(14.01)
	Provision for doubtful debts and others	(220.79)	(470.17)
	Provision for employee benefits	(61.27)	(77.28)
	Others	(40.45)	(52.34)
	Deferred tax liabilities (net)	**417.63**	**136.96**
3.14.2	**Deferred tax assets (net)**		
	Deferred tax liability		
	Gain/(loss) on cash flow hedge		
	Deferred tax assets		
	Differences between book balance and tax balance of property, plant and equipment	-	(8.66)
	Others	-	(28.49)
	Deferred tax assets (net) #	**-**	**(37.15)**

The Subsidiary Company has de-recognised its deferred tax assets to conform to the basis of accounting other than going concern.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.14.3 Movement in Deferred tax liabilities/(net) balances during the year ended 31 March 2024

Particulars	Opening Balance	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	694.17	(51.73)	-	642.44
Timing differences on assessment of income	56.59	25.78	-	82.37
Deferred tax impact on fair value changes	(14.01)	26.60	2.74	15.33
Provision for doubtful debts and others	(470.17)	249.38	-	(220.79)
Provision for employee benefits	(77.28)	19.54	(3.53)	(61.27)
Others	(52.34)	11.89	-	(40.45)
Deferred tax liabilities (net)	**136.96**	**281.46**	**(0.79)**	**417.63**

Movement in Deferred tax liabilities/(net) balances during the year ended 31 March 2023

Particulars	Opening Balance	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	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)	(321.05)	-	(470.17)
Provision for employee benefits	(185.68)	102.39	6.01	(77.28)
MAT Credit entitlement	(109.03)	109.03	-	-
Others	(36.72)	(15.62)	-	(52.34)
Deferred tax liabilities (net)	**494.34**	**(359.76)**	**2.38**	**136.96**

3.14.4 Movement in deferred tax net balances during the year ended 31 March 2024

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets)				
Gain/ (loss) on cash flow hedge	-	-	-	-
Differences between book balance and tax balance of property, plant and equipment	(8.66)	8.66	-	-
Others	(28.49)	28.49	-	-
Deferred tax assets (net)	**(37.15)**	**37.15**	**-**	**-**

Movement in deferred tax net balances during the year ended 31 March 2023

Particulars	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets)				
Gain/(loss) on cash flow hedge	2.72	-	(2.72)	-
Differences between book balance and tax balance of property, plant and equipment	(3.68)	(4.98)	-	(8.66)
Others	(26.43)	(3.13)	1.07	(28.49)
Deferred tax assets (net)	**(27.39)**	**(8.11)**	**(1.65)**	**(37.15)**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

	Particulars	As at 31 March 2024	As at 31 March 2023
3.15	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises	126.26	99.94
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,592.06	2,772.65
		2,718.32	**2,872.59**

(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.

Particulars	As at 31 March 2024	As at 31 March 2023
i) Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	126.26	99.94
ii) Interest due thereon remaining unpaid	5.57	1.36
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	5.57	1.36
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 2024

	Outstanding for following periods from due date of transaction				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	126.26	-	-	-	126.26
(ii) Others	926.07	96.08	0.24	6.31	1,028.70
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Provision for accrued expenses (not due)	-	-	-	-	1,563.36
Total					**2,718.32**

Trade payable ageing schedule as at 31 March 2023

	Outstanding for following periods from due date of transaction				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	99.94	-	-	-	99.94
(ii) Others	1,290.48	30.14	-	1.32	1,321.94
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Provision for accrued expenses (not due)	-	-	-	-	1,450.71
Total					**2,872.59**

3.16 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Unpaid dividend*	18.94	17.40
Creditors for capital goods	3.69	37.43
Hedge liability	-	63.07
Employee related liabilities	533.17	508.31
Others	-	8.72
	555.80	**634.93**

* 'Earmarked balances with banks for unpaid dividend

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

		As at 31 March 2024	As at 31 March 2023
3.17	**Provisions**		
	Non-current		
	Provision for employee benefits (net) (refer note 3.37)		
	- Gratuity	21.75	33.58
	- Compensated absence	55.27	162.34
		77.02	**195.92**
	Current		
	Provision for employee benefits (net) (refer note 3.37)		
	- Gratuity	61.84	37.31
	- Others (refer note 3.17.1 below)	339.56	-
	- Compensated absence	40.48	38.65
	Others (refer note 3.30)	61.83	194.12
		503.71	**270.08**

3.17.1 Includes provision created by the Subsidiary Company towards retrenchment compensation and notice pay amounting to ₹ 337.58 Lakhs.

3.18	**Other liabilities**		
	Current		
	Advance from customer	118.97	81.86
	Others		
	- Statutory dues	464.94	150.13
	- Deferred income	176.57	411.68
		760.48	**643.67**

3.19 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from Sale of goods		
Sale of products	52,334.52	55,590.21
Other Operating Revenues		
Scrap sale	125.49	97.13
Export Incentive		
- Government Grant	483.64	441.71
- Duty Drawback	169.32	256.19
- Remission of duties and taxes on export products (RoDTEP) incentives	158.01	144.80
Other miscellaneous income	2.32	6.60
	938.78	**946.43**
	53,273.30	**56,536.64**

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 3.19.3 and 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.

Contract Balances

Particulars		
Trade Receivables (refer note 3.08)	8,531.34	8,775.41
Contract liabilities - advance from customers (refer note 3.18)	118.97	81.86

During the year ended 31 March 2024, the Group has recognised revenue of ₹ 81.86 Lakhs (31 March 2023: ₹ 268.63 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.

3.19.2 Reconciliation of Revenue from sale of goods with the contracted price		
Contracted price	52,464.55	55,722.22
Less: Trade discount, rebates etc	(130.03)	(132.01)
Net Revenue recognised from contracts with customers	**52,334.52**	**55,590.21**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

		Year ended 31 March 2024	Year ended 31 March 2023
3.20	**Other Income**		
	Interest Income	261.14	31.54
	Interest received on income tax refund	14.79	9.32
	Net gain on foreign currency translation	449.45	-
	Miscellaneous Income #	393.75	40.94
		1,119.13	**81.80**

Miscellaneous income includes an amount of ₹ 346.46 Lakhs representing write back of provision created against duty towards advance authorisation and CENVAT on HCL provided against order of Customs department.

		Year ended 31 March 2024	Year ended 31 March 2023
3.21	**Cost of materials consumed**		
	Opening Stock	2,361.94	3,218.33
	Add: Purchases	22,930.15	26,053.86
		25,292.09	**29,272.19**
	Less: Closing Stock	1,947.97	2,361.94
		23,344.12	**26,910.25**
3.22	**Changes in inventories of finished goods, work-in-progress**		
	Opening Stock		
	Finished Goods	2,435.70	2,351.37
	Work-in-progress	3,823.18	3,960.65
		6,258.88	**6,312.02**
	Less:		
	Closing Stock		
	Finished Goods	2,740.25	2,435.70
	Work-in-progress	4,245.09	3,823.18
		6,985.34	**6,258.88**
		(726.46)	**53.14**
3.23	**Employee benefits expense**		
	Salaries and Wages	4,748.61	4,262.86
	Contribution to Provident and Other Funds	491.59	446.47
	Workmen and Staff Welfare Expenses	616.47	537.98
		5,856.67	**5,247.31**
	Less: Transfer to Research & Development expenditure (refer Note 3.26.1)	(177.28)	(167.72)
		5,679.39	**5,079.59**

3.23.1 Consequent to the decision of the management of the Subsidiary Company to prepare the financial statements of Subsidiary Company on other than going concern basis, the Subsidiary Company has provided ₹ 337.58 Lakhs towards employee related liabilities such as retrenchment compensation, notice pay, bonus and wages till the expected date of serving notice to the employees. This is in addition to the gratuity, leave encashment for which the Subsidiary Company has adequate funding and provision in the books.

		Year ended 31 March 2024	Year ended 31 March 2023
3.24	**Finance costs**		
	Interest expense - borrowings	63.25	243.46
	Interest expense - Fair Value Costs	45.05	98.70
	Interest expense - others	131.70	1.41
		240.00	**343.57**
3.25	**Depreciation and Amortisation Expense**		
	Depreciation of tangible assets (Refer note 3.01)	1,459.62	1,380.22
	Amortisation of intangible assets (Refer note 3.02)	54.99	32.16
		1,514.61	**1,412.38**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

		Year ended 31 March 2024	Year ended 31 March 2023
3.26	**Other Expenses**		
	Consumption of Stores, Spares and Consumables	838.73	920.36
	Effluent Discharge Charges	121.03	138.59
	Contract labour charges	173.49	162.76
	Packing materials Consumed	403.48	425.66
	Research and Development Expenditure (See Note 3.26.1)	209.25	206.07
	Power, Fuel, Water and Gas	5,796.64	5,787.52
	Repairs		
	- Building	178.51	203.96
	- Plant & Machinery	1,185.71	1,115.04
	- Others	505.96	467.69
	Loading, Transportation and Other charges on products	734.85	771.22
	Freight on Exports	237.18	631.90
	Insurance	132.75	113.07
	Rent	65.89	57.56
	Rates and Taxes	246.46	441.10
	Postage and Telephone	43.11	42.75
	Printing & Stationery	20.95	16.18
	Travelling and Conveyance	343.63	247.78
	Payments to the auditor (See Note 3.26.2)	38.98	35.22
	Advertisement & Publicity	174.38	86.97
	Professional & Consultancy charges	342.32	219.47
	Bank Charges	55.97	72.69
	Expenses on Corporate Social Responsibility activities (See note 3.26.3)	110.06	75.99
	Loss on assets sold/Written off (Net)	56.97	108.20
	Security service charges	241.62	244.60
	Write down of capital work-in-progress#	22.12	-
	Net loss on cash flow hedges realised	-	245.37
	Miscellaneous Expenses (refer note 3.26.5)	422.88	371.90
		12,702.92	**13,209.62**

Capital work-in-progress has been writtten down to ₹ Nil Lakhs to conform to the basis of accounting other than going concern followed by the Subsidiary Company. Refer note 3.49.

* During the year, the Subsidiary Company has written down packing material & stores and spares amounting to ₹ 3.59 Lakhs and ₹ 29.58 Lakhs respectively to conform to the basis of accounting other than going concern followed by the Subsidiary Company. refer note 3.49.

		Year ended 31 March 2024	Year ended 31 March 2023
3.26.1	**Details of Research & Development Expenditure**		
	a) Revenue Expenditure charged to statement of profit & loss		
	Salary and Allowances	177.28	167.72
	Other Expenses (Net of recoveries)	31.97	38.35
		209.25	**206.07**
	b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	9.89	4.02
3.26.2	**Payments to the auditors**		
	Statutory Audit Fees	36.20	28.62
	For other attest services #	11.55	8.80
	Reimbursement of Expenses	2.78	2.86
		50.53	**40.28**

This fee is reimbursed by Nitta Gelatin Inc, Japan

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.26.3 Corporate Social Responsibility (CSR)

a.	Amount required to be spent by the Company during the year		121.68	64.16
b.	Amount of expenditure incurred on: i. Construction/acquisition of any asset ii. On purposes other than (i) above		- 121.68	- 75.99
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	Expenditure amounting to ₹ 97.24 lakhs 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 amount for financial year 2023-24 includes ₹ 11.62 Lakhs, which is a portion of the excess spend during the financial year 2022-23. The balance out of the excess spend of financial year 2022-23 amounting to ₹ 0.21 Lakhs shall be carried forward to the next year towards CSR expenses as stipulated in the CSR provisions of the Companies Act.

3.26.4 The Group has recognised cash flow hedge based on hedge effectiveness test as mandated under Ind AS 109. Hence, in the current year the mark to market gain amounting to ₹ 2.93 Lakhs has been recognised in other comprehensive income. Further, the provision created towards the mark to market loss during the year ended 31 March 2023, amounting to ₹ 63.07 Lakhs was reversed during the current year.

3.26.5 Miscellaneous expense include an amount of ₹ Nil (31 March 2023: ₹ 0.07 Lakhs) made towards political contributions.

		Year ended 31 March 2024	Year ended 31 March 2023
3.27	**Earnings per share (EPS) (basic and diluted)**		
	a) Profit after tax attributable to equity shareholders	8,264.28	7,031.11
	b) Weighted average number of shares outstanding	9079160	9079160
	c) Nominal value of shares (₹)	10	10
	d) Basic earning per share (₹)	91.02	77.44
	e) Number of equity shares used to compute diluted earnings per share	9079160	9079160
	f) Diluted earnings per share (₹)	91.02	77.44

		As at 31 March 2024	As at 31 March 2023
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	8,531.34	8,775.41
	Cash and Cash Equivalents	3,446.70	3,022.32
	Bank balances other than cash and cash equivalents	4,122.73	59.86
	Other financial assets	126.24	122.51
	Inventories	9,642.63	9,306.12
	Other current assets	1,170.89	824.82
	Total current assets pledged as securities	**27,040.53**	**22,111.04**
	Non-current		
	First charge		
	Property, plant and equipment (PPE) and capital work-in-progress	12,096.29	11,954.41
	Total non-current assets pledged as securities	**12,096.29**	**11,954.41**
	Total assets pledged as security	**39,136.81**	**34,065.45**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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 2024	Year ended 31 March 2023
Sales by Products	52,334.52	55,590.21
	52,334.52	**55,590.21**

(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 2024	Year ended 31 March 2023
India	30,890.05	30,082.41
Outside India	21,444.47	25,507.80
	52,334.52	**55,590.21**

(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:

3.29 Segment Information *(cont'd)*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
India	13,329.98	13,226.31
Outside India	-	-
	13,329.98	13,226.31

(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 2024	Year ended 31 March 2023
Revenue from top customer	11,327.53	13,360.98
Revenue from customers contributing 10% or more to the Group's revenues from product sale	19,603.61	24,641.25

3.19.3 Revenues from each product or each group of similar products:

Gelatin	30,858.79	31,135.26
Collagen peptide	4,789.76	4,237.68
Ossein	6,596.68	8,276.83
Di-calcium phosphate (DCP)	9,416.30	11,262.82
Others	672.99	677.62
	52,334.52	**55,590.21**

3.30 Provisions, Contingent Liabilities and Commitments

3.30.1 Provisions

Nature of Provision	Balance as at 1 April 2023	Additional Provision during the year	Amounts used/ charged during the year	Unused amounts reversed	Balance as at 31 March 2024
Provision for Central Excise Duty.	132.29	-	-	132.29	-
(refer Note 3.30.1(i))	(132.29)	-	-	-	(132.29)
Provision for Central Sales Tax	-	-	-	-	-
(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)

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.30.1(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 in earlier years which was disputed by the Company. Though there was no demand raised by the department, based on legal advice received, the company had created a provision of ₹ 132.29 Lakhs (31 March 2023: ₹ 132.29 Lakhs) as a matter of prudence and the balance amount of ₹ 218.45 Lakhs (31 March 2023: ₹ 218.45 Lakhs) was disclosed as a contingent liability till the previous year. During the year the Central Exicse department has issued an order in favour of the Holding Company. Hence the provision carried in the books amounting to ₹ 132.29 has been reversed and the contingent liability of ₹ 218.45 Lakhs has been extinguished.

3.31.1(ii) The Central Sales Tax authorities raised demand on assessment for an earlier year amounting to ₹ 28.74 Lakhs which was disputed in appeal. During the previous year, based on the conclusion of appellate proceedings , the Holding Company has settled the Sales tax demand based on appellate orders and has reversed the provision created accordingly.

3.30.2 Contingent Liabilities not provided for:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
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
c. Excise Duty (refer note 3.30.1(i) and note 3.30.2(iii)	219.06	434.18
d. Water Cess (refer note 3.30.2(iv))	20.22	-
e. Customs Duty (refer note 3.30.3)	1,819.66	1,968.36
f. Goods and Service Tax (refer note 3.30.4)	144.70	-
2. Counter Guarantee issued in favour of bankers	304.19	184.00
	2,675.44	**2,766.15**

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 2023: ₹ 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 2023: ₹ 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) During the year, based on the conclusion of appellate proceedings and the consequent modified orders, the company has settled the pending Sales tax demands amounting 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 2023: ₹ 7.21 Lakhs) which have been disputed by the Holding 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 including interest aggregating to ₹ 88.77 Lakhs (31 March 2023: ₹ 85.39 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 2023: ₹ 123.13 Lakhs). 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, the Holding Company has received a demand 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. The Holding Company filed a writ petition against such order with the Honorable High Court of Kerala. 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, allowed the petition filed by the Holding Company.

On a prudent basis, the Holding Company had created 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 (since the government did not have the authority to levy the charges till such date).

During the year, the Holding Company received an additional demand from the Executive Engineer, Additional Irrigation Division, Thrissur, amounting to ₹ 20.22 Lakhs towards additional cess on water charges for the period 1 April 2017 to 31 March 2024. The Holding Company has obtained a legal opinion that the demand would not be sustainable.

3.30.3 During an earlier year, the customs authorities had issued show cause notice-cum-demand proposing classify/reassess import of a certain item of raw materials, which was 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 Honourable Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide order dated 31 March 2024 has set aside the demand for ₹ 1,819.66 Lakhs and confirmed the demand for ₹ 148.70 Lakhs. The Company has provided for ₹ 148.70 Lakhs being the applicable duty as per the CESTAT order. Pending the expiry of the period of appeal, it is proposed to disclose ₹ 1,819.66 Lakhs as contingent liability as on 31 March 2024..

3.30.4 During the year the Holding Company received a demand from Goods and Service tax department, Gujarat for an amount of ₹ 66.74 Lakhs (31 March 2023 - ₹ nil). Additionally, the company has received a demand from Goods and Service tax department, Kerala amounting to

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

₹ 70.06 Lakhs (31 March 2023 - ₹ nil). The company has received an expert opinion that the demand will not be sustainable and hence disclosed as contingent liability in the books as on 31 March 2024. Additionally, the subsidiary Company has received a demand from GST authorities amounting to ₹ 7.90 Lakhs, which has also been added to the contingent liability.

3.31 Commitments

3.31.1 Estimated amount of contracts remaining to be executed on capital account ₹ 1966.35 Lakhs (including ₹ 1230.20 Lakhs for a critical equipment required for the new collagen peptide expansion project. (31 March 2023: ₹ 468.47 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, 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 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 Holding 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 2024, the Holding Company had created a provision of ₹ 68.28 Lakhs (31 March 2023 - ₹ 68.28 Lakhs) towards the duty along with applicable interest on the same as a matter of prudence.

3.32 In addition to 3.31.2 above, the Holding Company has export obligation of ₹ 3137 Lakhs (31 March 2023: ₹ 3137.00 Lakhs) on account of advance Authorisation Scheme and ₹ Nil Lakhs (31 March 2023: ₹ 149.00 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 2024 is ₹ 65.89 Lakhs (31 March 2023: ₹ 57.56 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 and are cancellable. 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.

There are no leases not yet commenced to which the Group is committed.

3.35 Income Tax

The major components of income tax expense are:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current income tax:		
Current income tax charge	2,858.72	2,875.76
Income Tax Relating to earlier years	49.65	8.88
Relating to the origination and reversal of temporary differences	318.61	(367.87)
Income tax expense reported in Statement of Profit and Loss	**3,226.98**	**2,516.77**
Deferred tax related to items recognised in OCI		
Income tax relating to re-measurement gains on defined benefit plans	(3.53)	5.18
Income tax relating to measurement of financial assets through OCI	2.00	0.24
Income tax relating to gain on cash flow hedges	0.74	(4.69)
	(0.79)	**0.73**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Reconciliation of deferred tax (net)		
Opening balance	99.81	466.95
Tax expense/(credit) during the year recognized in statement of profit and loss	318.61	(367.87)
Tax expense/(credit) during the year recognised in OCI	(0.79)	0.73
Closing balance	**417.63**	**99.81**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	**11,637.85**	**9,906.76**
Tax on accounting profit at statutory income tax rates	2,929.25	2,493.53
Tax Effect of:		
Non deductible expenses	36.04	64.85
Tax incentives and exempt income	(176.19)	(118.93)
Tax adjustments relating to previous year	49.65	8.88
Deferred tax not recognised on expenses disallowed (refer note b below)	103.89	-
Tax effect on eligible deductions	-	(76.39)
Tax effect of change in tax rates	-	22.96
Others	284.34	121.87
Tax expense recognised in the statement of profit and loss	**3,226.98**	**2,516.77**

a) Deferred tax assets of Subsidiary Company has been de-recognised to conform to the basis of accounting other than going concern, followed by the Subsidiary Company. Refer note 3.49.

b) Deferred tax asset has not been recognised on expenses accrued to conform to the basis of accounting other than going concern followed by the Subsidiary Company. Refer note 3.49.

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., Japan - 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
vii. Kerala State Industrial Development Corporation - Enterprise having substantial interest in the Holding Company
vi. **Key Managerial Personnel**

1. In case of Holding Company
- Mr. Philip Chacko M - Managing Director (till 31 May 2023)
- Mr. Sajiv K. Menon - Managing Director (from 1 June 2023)
- Dr. Shinya Takahashi - Whole-time Director

2. In case of Subsidiary
- Mr. George K.A. - Chief Executive Officer

3. Non Executive Directors
- Mr. A.P.M.Mohammed Hanish IAS
- Mr. S. Harikishore
- Mr. Sajiv K. Menon (till 31 May 2023)

4. Independent Directors:
- Mr. M.K.C. Nair
- Mr. V. Ranganathan
- Mr. E. Nandakumar
- Mrs. Radha Unni (till 3 December 2023)
- Mrs. Shirley Thomas (from 8 May 2023)
- Dr Justice (Retd.) M. Jaichandren
- Mr.Yoichiro Sakuma (till 30 September 2023)
- Mr. Koichi Ogata

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Sale and Income						
1 Sale of Goods						
Nitta Gelatin Inc	11,327.73	13,360.98	-	-	11,327.73	13,360.98
Nitta Gelatin NA Inc	6,605.96	7,828.24	-	-	6,605.96	7,828.24
Purchase and Expenses						
1 Commission expense:						
Nitta Gelatin Inc						
- For Sale of Gelatin	34.72	27.87	-	-	34.72	27.87
- For Sale of Peptide	-	0.51	-	-	-	0.51
2 Technical Assistance Fee:						
Nitta Gelatin Inc	28.57	18.08	-	-	28.57	18.08
3 Interest expense on External Commercial Borrowings						
Nitta Gelatin Inc	-	21.49	-	-	-	21.49
4 Reimbursement of Expenses (Net):						
Nitta Gelatin Inc	6.64	7.14	-	-	6.64	7.14
Nitta Gelatin NA Inc	2.45				2.45	-
5 Donations/Corporate Social Responsibility contribution						
K.T.Chandy Seiichi Nitta Foundation (See Note 3.26.3)	97.24	75.99	-	-	97.24	75.99
6 Remuneration (refer note (a) below)						
Mr Sajiv K. Menon	-	-	169.33	-	169.33	-
Mr. Philip Chacko M	-	-	30.52	164.93	30.52	164.93
Dr Shinya Takahashi	-	-	24.52	24.47	24.52	24.47
Mr George K.A.	-	-	33.18	25.29	33.18	25.29
7 Sitting fees						
Mr. V. Ranganathan - Independent Director	-	-	4.90	2.75	4.90	2.75
Mrs. Shirley Thomas - Independent Director	-	-	3.80	-	3.80	-
S. Harikishore	-	-	0.40	0.25	0.40	0.25
Mr. Sajiv K. Menon - Nominee Director	-	-	0.80	1.25	0.80	1.25
Mr. E. Nandakumar - Independent Director	-	-	6.15	2.50	6.15	2.50
Mrs. Radha Unni - Independent Director	-	-	3.95	2.75	3.95	2.75
Mr. M. Jaichandren - Independent Director	-	-	4.40	2.00	4.40	2.00
Mr. Rajamanickam IAS	-			0.25	-	0.25
Mr. Mohammad Hanish			2.00	1.25	2.00	1.25
Mr. M.K.C. Nair - Independent Director			2.80	1.50	2.80	1.50
Mr.Yoichiro Sakuma - Independent Director	-	-	1.05	1.00	1.05	1.00
Dividend paid on equity shares						
Nitta Gelatin Inc	442.52	257.26	-	-	442.52	257.26
Kerala State Industrial Development Corporation	214.67	114.49	-	-	214.67	114.49
Dividend on preference shares						
Nitta Gelatin Inc	45.00	220.62	-	-	45.00	220.62

Notes:

Note: Remuneration paid to KMP excludes provision for/contribution to gratuity and compensated absences which are based on actuarial valuation done on an overall Group basis (cannot be individually identified) are excluded in the disclosure above.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (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 2024	31 March 2023	31 March 2024	31 March 2023
Receivables				
- Nitta Gelatin Inc	1,963.41	1,959.04	1,963.41	1,959.04
- Nitta Gelatin NA Inc	2,149.45	2,577.73	2,149.45	2,577.73
Payables				
- Nitta Gelatin Inc				
Other payables	47.57	42.85	47.57	42.85
- Nitta Gelatin NA Inc				
Other payables	70.79	27.94	70.79	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 2024. 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 material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (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 2024 and 31 March 2023 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 2024	Year ended 31 March 2023
1 The amounts recognized in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year	1,414.62	1,330.56
Fair value of plan assets as at the end of the year	(1,331.03)	(1,259.67)
Net liability recognized in the Balance Sheet	**83.59**	**70.89**
2 Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	1,330.56	1,320.45
Service cost	78.27	77.13
Interest cost	91.94	94.60
Actuarial losses/(gains) arising from		
- change in financial assumptions	38.11	(35.42)
Benefits paid	(124.26)	(126.20)
Defined benefit obligation as at the end of the year	**1,414.62**	**1,330.56**
3 Changes in the fair value of plan assets		
Fair value as at the beginning of the year	1,259.67	1,052.13
Return on plan assets	90.79	84.36
Actuarial (losses)/gains	(7.10)	(14.85)
Contributions	110.00	252.45
Benefits paid	(122.33)	(114.42)
Fair value as at the end of the year	**1,331.03**	**1,259.67**
Description of Plan Assets		
Insurer Managed Funds (LIC of India)	1,331.03	1,259.67
Assumptions used in the above valuations are as under:		
Discount rate	7.23%	7.50%
Salary increase	5.92%	5.51%
Superannuation age	58	58
Attrition rate	3%	4%
Mortality	Indian Assured Lives Mortality [2012-14] Ultimate	
4 Net gratuity cost for the year ended 31 March 2024 and 31 March 2023 comprises of following components.		
Service cost	109.46	77.13
Net interest cost on the net defined benefit liability	78.95	10.25
Net defined benefit expense debited to statement of profit and loss	**188.41**	**87.38**
5 Remeasurement (gain)/loss recognised in other comprehensive income		
Change in financial assumptions	(14.03)	20.58
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	**(14.03)**	**20.58**
6 Weighted average duration of the defined benefit plan	**10.63**	**12.35**
7 Maturity Profile of Defined Benefit Obligation		
a) Within one year	124.88	96.97
b) Within 2 - 5 years	391.14	407.78
c) Within 6 - 10 years	589.59	563.50
d) More than 10 years	1,225.17	1,288.48
	2,330.77	**2,356.73**

Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the company is exposed to follow risks:

a) Salary increase: higher than expected increases in salary will increase the defined benefit obligation.

b) Discount rate: the defined benefit obligation calculated use a discount rate based on government bonds: if bond yields fall the defined benefit Increase.

c) Mortality and disability. if the actual deaths and disability cases are lower or higher than assumed in the valuation, and can impact the defined benefit obligation.

d) Withdrawals: if the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal races at subsequent valuations, it can impact defined benefit obligation.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

e) The plan assets of the Group is invested in insurer managed fund of LIC. Changes in market factors might affect the return on such fund, which is futuristic.

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 ₹ 380.59 Lakhs (31 March 2023: ₹ 359.10 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 2024		Year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	(97.42)	111.34	(94.12)	107.87
Salary Growth Rate (- / + 1%)	105.92	(96.31)	104.54	(94.88)
Attrition rate (- / + 1%)	4.96	(5.38)	4.72	(5.14)

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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

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 2024 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVTOCI
Assets:				
Investments	3.03	-	78.90	31.57
Cash and cash equivalents	3.09	3,446.70	-	-
Bank balances other than cash and cash equivalents	3.10	4,122.73	-	-
Trade receivable	3.08	8,531.34	-	-
Loans	3.04	10.82	-	-
Other financial assets	3.05			-
Security Deposits		518.95	-	-
Advances recoverable in cash or in kind		90.10	-	-
Hedge asset (Foreign Exchange Forward Contract)		-	-	2.93
Others		60.63	-	-
Total		**16,781.27**	**78.90**	**34.50**
Liabilities:				
Borrowings	3.13	1,405.01	-	-
Trade payable	3.15	2,718.32	-	-
Other financial liabilities	3.16			
Unpaid Dividend		18.94	-	-
Employee related liabilities		533.17		
Creditors for capital goods		3.69	-	-
Others		-	-	-
Total		**4,679.13**	**-**	**-**

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	-	78.90	21.94
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	-	-
Hedge asset		-	-	-
Others		67.61	-	-
Total		**12,476.57**	**78.90**	**21.94**
Liabilities:				
Borrowings	3.13	3,922.60	-	-
Trade payable	3.15	2,872.59	-	-
Other financial liabilities	3.16			
Unpaid Dividend		17.40	-	-
Employee related liabilities		508.31	-	-
Creditors for capital goods		37.43	-	-
Hedge Liability			63.00	-
Others - Recoveries Payable		8.72	-	-
Total		**7,367.12**	**63.00**	**-**

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.38 Fair value measurements *(cont'd)*

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.

a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2024	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Non current investments	3.03	31.57	-	78.90	110.47
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	2.93	-	2.93

As at 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investments	3.03	21.94	-	78.90	100.84
Derivatives designated as cash flow hedges					
Foreign exchange forward contracts	3.05	-	-	-	-

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:

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.39 Financial risk management *(cont'd)*

Assets under credit risk	As at 31 March 2024	As at 31 March 2023
Trade receivable	8,531.34	8,775.41
Loans to employees	10.82	9.86
Security deposit	518.95	443.73
Balance with bank - Deposit Accounts	10.57	-
Earmarked balances with banks for unpaid dividend	18.94	44.28
Advances recoverable in cash or in kind	90.10	97.78
Hedge asset	2.93	-
Investments	110.47	100.84
Cash and Cash Equivalents *	3,446.70	3,022.32
Other bank balances*	4,122.73	59.86
Others	31.12	23.33
Total	**16,894.67**	**12,577.41**

* Cash and cash equivalents include an amount of ₹ 2,921.52 Lakhs and other bank balances include ₹ 4,122.73 Lakhs(31 March 2023 ₹ 59.86 Lakhs) which are deposits held with four banks having high credit rating with minimum credit risk

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 four customers represented 60 % (2023 - three customers, 60 %) 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.

In respect of the subsidiary company, the allowance for life time expected credit loss on customer balances for the year ended 31 March 2024 and as at 31 March 2023 was ₹ Nil Lakhs and ₹ Nil Lakhs respectively. The reversal for lifetime expected credit loss on trade and other receivables for the year ended 31 March 2024 was ₹ Nil Lakhs. Hence, the disclosure is only made with respect to Holding Company.

Particulars	As at 31 March 2024	As at 31 March 2023
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 2024

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	6,997.41	799.73	0.32	26.09	-	34.96
Less: Related party balances	(3,117.39)	(286.48)	-	-	-	(20.96)
Expected Loss Rate	0.07%	0.31%	27.13%	55.75%	100%	100%
Expected Credit Loss (Loss allowance)	2.82	1.59	0.09	14.55	-	14.00
Carrying Amount of Trade Receivables (net of impairment)	6,994.59	798.14	0.23	11.54	-	20.96

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	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 material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.39 Financial risk management *(cont'd)*

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 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Maturities of financial liabilities

As at 31 March 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	995.89	409.12	-	1,405.01
Trade payable	2,718.32	-	-	2,718.32
Other financial liabilities	555.80	-	-	555.80
Total	**4,270.01**	**409.12**	**-**	**4,679.13**

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**

(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 2024		As at 31 March 2023	
Included In	**Currency**	**Amount in foreign currency**	**Amount in ₹ Lakhs**	**Amount in foreign currency**	**Amount in ₹ Lakhs**
Financial assets					
Trade receivables	USD	55.51	4,596.96	56.65	4,625.90
	EURO	0.57	50.79	4.08	360.70
Financial liabilities					
Trade payables	USD	2.23	186.64	1.23	101.41
	EURO	0.08	6.86	-	-
	Japanese YEN	22.84	12.71	13.84	8.65
Non Current Borrowings	USD	-	-	4.26	352.05
Current Borrowings	USD	8.50	712.25	13.59	1,122.23
	YEN	509.75	283.62	2359.77	1474.86

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.39 Financial risk management *(cont'd)*

Conversion rates	Financial Assets		Financial Liabilities		
	USD	EUR	USD	EUR	JPY
As at 31 March 2024	82.81	89.11	83.70	85.75	0.56
As at 31 March 2023	81.65	90.68	82.57	-	0.63

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.

Impact on profit after tax Particulars	Increase 31 March 2024	Decrease 31 March 2024	Increase 31 March 2023	Decrease 31 March 2023
Sensitivity				
INR/USD	27.68	(27.68)	34.15	(34.15)
INR/EURO	0.33	(0.33)	3.70	(3.70)
INR/YEN	(2.22)	2.22	(0.09)	0.09

Impact on other components of equity	Increase 31 March 2024	Decrease 31 March 2024	Increase 31 March 2023	Decrease 31 March 2023
Sensitivity				
INR/USD	(99.40)	99.40	(184.12)	184.12

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 2024	31 March 2023
Forward Contracts		
In USD(Lakhs)	118.51	145.80

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 2024	31 March 2023
Not later than one month	12.20	16.60
Later than one month and not later than three months	27.19	35.20
Later than three months and not later a year	79.12	94.00

a Disclosure of effects of hedge accounting on financial position

31 March 2024 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	9,814.19	-	April 2024-March 2025	1 USD = 83.925 INR	2.93	-

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	-	April 2023-September 2024	1 USD = 82.548 INR	(18.48)	-

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.39 Financial risk management *(cont'd)*

b Disclosure of effects of hedge accounting on financial performance

31 March 2024 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	2.93	-	-	- Not applicable

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	(18.48)	(82.23)	-	-

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 2024, 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 2024	As at 31 March 2023
Variable rate borrowing	409.12	846.43
Fixed rate borrowing	-	-
Total borrowings	**409.12**	**846.43**
Amount disclosed under borrowings		
- Current borrowings	-	160.99
- Non current borrowings	409.12	685.44

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2024	31 March 2023
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	(4.09)	(8.46)
Interest rates – decrease by 100 basis points (100 bps)	4.09	8.46

(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.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

Particulars	31 March 2024	31 March 2023
Long term borrowings	409.12	685.44
Current maturities of long term borrowings	-	150.00
Short term borrowings	995.89	3087.16
Trade payables	2718.32	2872.59
Less: Cash and cash equivalents	(3446.70)	(3022.32)
Less: Bank balances other than cash and cash equivalents	(4122.73)	(59.86)
Net debt	**(3446.10)**	**3713.01**
Equity	907.92	907.92
Other Equity	33435.42	25852.74
Capital and net debt	**30897.24**	**30473.67**
Gearing ratio	**0.00%**	**12.18%**

On account of its strong financial position and cash flows, the Group has repaid significant portion of its borrowings during the current year. Hence there is a decrease in the ratio.

3.41 Disclosure of Additional Information pertaining to the Parent Company and Subsidiary as per Schedule III of the Companies Act, 2013

31 March 2024:

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%	31,561	98%	8,249	100.0%	(0.67)	98%	8,248
Subsidiary company - Indian								
Bamni Proteins Limited	11%	3,947	10%	831	0.0%	-	10%	831
Total		**35,508**		**9,079**		**(0.67)**		**9,078**
Consolidation adjustments	-1%	(468)	-8%	(668)	0%	-	-8%	(668)
Total	**100%**	**35,040**	**100%**	**8,411**	**100%**	**(0.67)**	**100%**	**8,410**
Minority Interests in subsidiary	2%	697	2%	146.6	0%	-	2%	147

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%	9.35	80%	5,886
Subsidiary company - Indian								
Bamni Proteins Limited	14.45%	3,967	28%	2,033	-111%	(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%	359	-20%	(0.87)	5%	358

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.42 Events after the Balance sheet date

The Board of Directors have recommended a final dividend of ₹ 6 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 recipient, hence there will be no liability in the hands of Holding 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

3.44.1 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 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 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

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 Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2024.

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 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 material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.44.2 Details of differences between stock statements submitted 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-2023	Inventory net of trade payables	7,737.71	7,932.50	(194.79)	Refer Note below#
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	July-Sep-2023	Inventory net of trade payables	8,446.36	8,311.03	135.33	Refer Note below#
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Oct-Dec-2023	Inventory net of trade payables	8,536.02	8,479.75	56.27	Refer Note below#
	Oct-Dec-2023	Trade receivables	7,804.81	7,822.40	(17.59)	
1.SBI 2.HDFC 3.Standard Chartered Bank 4.SMBC 5 Mizuho Bank	Jan-Mar-2024	Inventory net of trade payables	7,812.40	8,048.51	(236.11)	Refer Note below#

The difference is due to being the stock statements submitted to Banks were on provisional basis before closure of monthly accounts.

3.44.2 Details of differences between stock statements submitted 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	Oct-Dec-2023	Inventory (net of trade payables)	528.46	520.83	7.63	Refer Note below#
	Jan-Mar-2024	Inventory (net of trade payables)	438.29	428.95	9.34	

The difference is due to being the stock statements submitted to Banks were on provisional basis before closure of monthly accounts

3.45 The Group has not been declared as a willful defaulter by any bank or financial Institution or other lender during the period.

3.46 The Group does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.

3.47 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group uses SAP as accounting software for maintaining its books of accounts. Since enabling the feature of recording audit trail at the database level to log any direct data changes results in significant reduction in the performance capabilities of the software, the same was not enabled. However, the audit trail (edit logs) at the application level of the accounting software has operated throughout the year for all relevant transactions recorded in the software.

Further, the Holding company has used accounting software Zoho Books for recording the retail sales with effect from 1 March 2024. The said accounting software is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation) is not available for the year ended 31 March 2024.

3.48 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 comparative period of the consolidated financial statements of the year ended 31 March 2024. The Group has reserved the right for higher compensation and has filed an appeal for arbitration before the competent authority.

Summary of material accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2024 (cont'd)

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

3.49 The Maharashtra State Pollution Control Board (""MPCB"") vide their closure order dated 13 March 2024 has directed the subsidiary company, Bamni Proteins Limited (""the subsidiary"") to stop the manufacturing activities at its factory in Bamni village, Chandrapur district, Maharashtra citing failure to comply with certain pollution control norms and conditions for the discharge of treated effluent by the unit as stipulated in the 'consent to operate' letter issued by them. The subsidiary has stopped its manufacturing activities upon receipt of closure order. The management of the subsidiary believes that it has complied with all applicable norms stipulated in the consent to operate letter and the same was communicated to MPCB. The management of subsidiary also requested MPCB for an in-principle approval to lay a pipeline for the discharge of treated effluent water to a nearby river which has been declined by the MPCB vide its letter dated 30 April 2024. In the absence of technically and economically viable solution for resuming operations of the subsidiary's manufacturing activities on a sustainable basis, the Board of Directors of the subsidiary in their meeting held on 9 May 2024 decided to permanently close the manufacturing unit/factory of the subsidiary by 25 July 2024. Accordingly, the Board of Directors of the subsidiary based on their assessment, has concluded that the subsidiary has ceased to be a going concern and the financial statements of the subsidiary have been prepared on other than going concern basis, whereby, the assets are carried at lower of cost or estimated net realizable values and the liabilities are carried at their estimated settlement values. The subsidiary has also recognised ₹ 337.58 Lakhs towards provision for employee benefits which includes notice period salary to administrative staff as per terms of employment and notice pay wages and retrenchment compensation to workers considering that the notice of termination will be served on them shortly. Current/non-current assets amounting to ₹ 98.24 Lakhs, capital work-in-progress amounting to ₹ 22.12 Lakhs and deferred tax assets (net) amounting to ₹ 32.29 Lakhs were written down in the financial statements of the subsidiary as the estimated net realisable values of these assets were lower than their respective carrying values as on 31 March 2024. Further, assets and liablities of the subsidiary have been reclassified whereever necessary to conform to the basis of accounting other than going concern and therefore prior period figures are not comparable.

3.50 The Board of Directors of Holding Company at its meeting held on 2 January 2023 had approved the issuance of equity shares of the Holding Company having face value of ₹ 10/- each, on a Rights basis to eligible equity shareholders of the Holding Company as on the Record date (to be determined and notified later) for an amount of upto ₹ 4077.00 Lakhs (the "Rights Issue"), in accordance with the relevant SEBI Regulations, the Companies Act, 2013 and other applicable subject laws/regulations and subject to such regulatory and statutory approvals, as may be required in this regard. In view of the strong financial position of the Holding Company based on its operational performance, the Board of Directors of the Holding Company has decided to withdraw such proposal for the Rights Issue approved, as the proposed investment for the expansion projects will be financed through internal accruals/borrowings which is more cost effective and will be in the interest of the Holding Company.

3.51 Prior year comparatives have been regrouped/reclassified where necessary to conform with the current period/year classification. The impact of such restatements/ regroupings is not material to 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: 10 May 2024

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

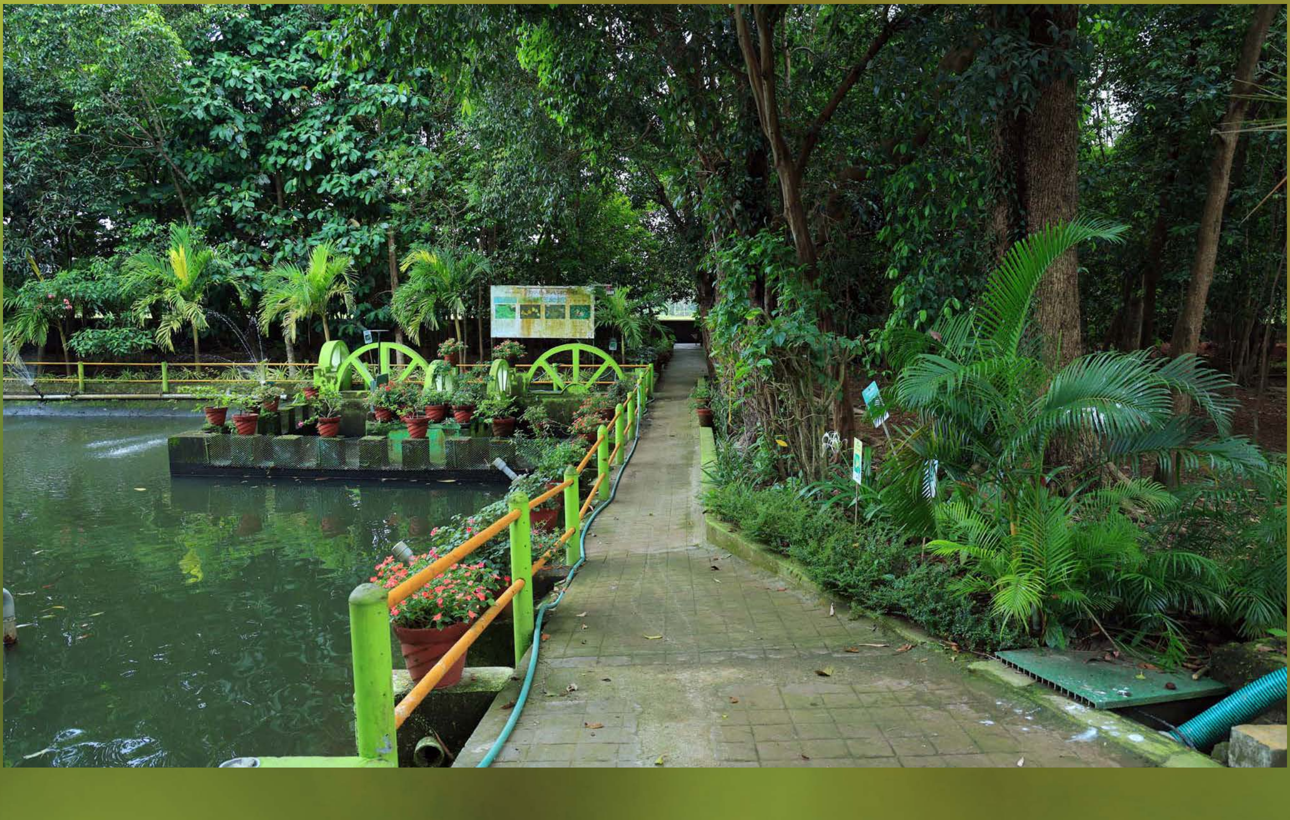
Sajiv K. Menon
Managing Director
DIN : 00168228

E. Nandakumar
Director
DIN : 01802428

Sahasranaman P.
Chief Financial Officer

Vinod Mohan
Company Secretary

The Garden Factory
(Ossein Division)

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