

Limited Review Report

The Board of Directors  
Nitta Gelatin India Limited

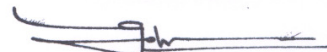
We have reviewed the accompanying statement of unaudited financial results of Nitta Gelatin India Limited for the period ended 31<sup>th</sup> December, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Kochi  
Date: 07.02.2014

For VARMA & VARMA  
(FRN:004532S)



(GOPI. K)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 214435

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PART I: STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2013

(Rs. in Lakhs)

Particulars	Quarter Ended			Year to date figures for the period ended		Previous year ended
	31.12.2013 Unaudited	30.09.2013 Unaudited	31.12.2012 Unaudited	31.12.2013 Unaudited	31.12.2012 Unaudited	31.03.2013 Audited
<b>1</b> Income from operations						
(a) Net sales/ income from operations (Net of excise duty)	5931	6064	6918	19760	21556	29975
(b) Other operating Income	208	171	128	537	433	647
<b>Total Income from operations (net)</b>	<b>6139</b>	<b>6235</b>	<b>7046</b>	<b>20297</b>	<b>21989</b>	<b>30622</b>
<b>2</b> Expenses						
(a) Cost of materials consumed	3595	2822	3694	10197	11147	14826
(b) Purchases of stock-in-trade	0	0	47	99	139	185
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(546)	23	(580)	(661)	(1325)	(908)
(d) Processing Charges	719	656	513	1941	1445	2002
(e) Employee benefits expense	478	482	462	1450	1384	1988
(f) Depreciation and amortisation expense	269	265	251	791	725	974
(g) Power, Fuel & Water	673	618	901	2251	2555	3563
(h) Other expenses	1470	1610	1320	4343	3574	5019
<b>Total</b>	<b>6658</b>	<b>6476</b>	<b>6608</b>	<b>20411</b>	<b>19644</b>	<b>27649</b>
<b>3</b> Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	<b>(519)</b>	<b>(241)</b>	<b>438</b>	<b>(114)</b>	<b>2345</b>	<b>2973</b>
<b>4</b> Other Income	<b>2</b>	<b>3</b>	<b>111</b>	<b>7</b>	<b>131</b>	<b>276</b>
<b>5</b> Profit/ (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	<b>(517)</b>	<b>(238)</b>	<b>549</b>	<b>(107)</b>	<b>2476</b>	<b>3249</b>
<b>6</b> Finance costs	<b>156</b>	<b>132</b>	<b>173</b>	<b>422</b>	<b>482</b>	<b>636</b>
<b>7</b> Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	<b>(673)</b>	<b>(370)</b>	<b>376</b>	<b>(529)</b>	<b>1994</b>	<b>2613</b>
<b>8</b> Exceptional items	<b>0</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>0</b>	<b>0</b>
<b>9</b> Profit/(Loss) from ordinary activities before tax (7 ± 8)	<b>(673)</b>	<b>(370)</b>	<b>376</b>	<b>(655)</b>	<b>1994</b>	<b>2613</b>
<b>10</b> Tax expense	<b>(227)</b>	<b>(118)</b>	<b>77</b>	<b>(220)</b>	<b>581</b>	<b>1055</b>
<b>11</b> Net Profit/ (Loss) from ordinary activities after tax (9 ± 10)	<b>(446)</b>	<b>(252)</b>	<b>299</b>	<b>(435)</b>	<b>1413</b>	<b>1558</b>
<b>12</b> Extraordinary items	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13</b> Net Profit/(Loss) for the period (11 ± 12)	<b>(446)</b>	<b>(252)</b>	<b>299</b>	<b>(435)</b>	<b>1413</b>	<b>1558</b>
<b>14</b> Minority Interest						
<b>15</b> Net Profit/ (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13 ± 14)	<b>(446)</b>	<b>(252)</b>	<b>299</b>	<b>(435)</b>	<b>1413</b>	<b>1558</b>
<b>16</b> Paid-up equity share capital (Face value per share Rs.10/-)	<b>908</b>	<b>908</b>	<b>840</b>	<b>908</b>	<b>840</b>	<b>840</b>
<b>17</b> Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						<b>11070</b>
<b>18.i</b> Earnings Per Share (before extraordinary items) (of Rs. 10/- each) (not annualised) (in Rs.):						
a) Basic	(4.91)	(2.78)	3.33	(4.80)	15.74	17.35
b) Diluted	(3.94)	(2.22)	2.66	(3.85)	12.58	13.87
<b>18.ii</b> Earnings Per Share (after extraordinary items) (of Rs. 10/- each) (not annualised) (in Rs.):						
a) Basic	(4.91)	(2.78)	3.33	(4.80)	15.74	17.35
b) Diluted	(3.94)	(2.22)	2.66	(3.85)	12.58	13.87



*[Handwritten Signature]*

PART II: SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31.12.2013

A	Particulars of Shareholding						
1	Public Shareholding						
	- Number of shares	2316640	2316640	1637480	2316640	1637480	1637480
	- Percentage of shareholding	25.52	25.52	19.50	25.52	19.50	19.50
2	Promoters and Promoter Group Shareholding						
	(a) Pledged / Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered						
	- Number of shares	6762520	6762520	6762520	6762520	6762520	6762520
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the company)	74.48%	74.48%	80.50%	74.48%	80.50%	80.50%

	Particulars	3 months ended 31.12.2013
B	Investor Complaints	
	Pending at the beginning of the quarter	10
	Received during the quarter	2
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter ( pending before the regulator for their decision )	12



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NOTES:

1. SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

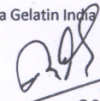
(Rs. In Lakhs)

Particulars	Quarter Ended 31.12.2013	Quarter Ended 30.09.2013	Quarter Ended 31.12.2012	Year to date for the period ended 31.12.2013	Year to date for the period ended 31.12.2012	Previous Accounting year ended 31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>						
Segment Revenue						
(a) Segment-A - Export Sales	3612	3813	3406	11654	11167	15882
(b) Segment-B - Domestic Sales	2319	2251	3512	8106	10389	14093
Total	5931	6064	6918	19760	21556	29975
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Net sales/income from operations</b>	<b>5931</b>	<b>6064</b>	<b>6918</b>	<b>19760</b>	<b>21556</b>	<b>29975</b>
<b>2</b>						
Segment Results (Profit(+)/Loss(-)) before tax and interest from each segment						
(a) Segment-A - Export Sales	338	623	948	1872	2852	4000
(b) Segment-B - Domestic Sales	33	(1)	443	412	1710	2165
Total	371	622	1391	2284	4562	6165
Less: (i) Finance Costs	156	132	173	422	482	636
(ii) Other Un-allocable expenditure net of Un-allocable income	888	860	842	2517	2086	2916
<b>Total Profit/(Loss) before Tax</b>	<b>(673)</b>	<b>(370)</b>	<b>376</b>	<b>(655)</b>	<b>1994</b>	<b>2613</b>

Notes on segment information

- a) The company's operation centers around the manufacture and sale of products which form broadly part of one product group in both export and domestic markets. Accordingly, sales revenue earned from these two different markets constitute the primary basis of segmental information set out above.
- b) Fixed assets and services are deployed interchangeably between segments and hence cannot be identified to any of the reportable segments.
- 2 a) The shareholders of the company at their Extra Ordinary General Meeting held on 29.05.2013 resolved to issue bonus shares to non-promoter shareholders of the company in the ratio of 1:3 aggregating to 579,160 shares of the face value of Rs 10 each. Such shares were allotted by the Board of directors on 03.08.2013 and capitalised out of General reserves. The Earnings per share in respect of such shares for the previous periods have been restated in the manner required by Accounting Standard 20 "Earnings Per Share".  
Further to the above in partial modification of the above resolution on 29.05.2013, the shareholders at their Extra ordinary general meeting held on 24.08.2013 resolved to issue bonus shares to the promoter shareholders also in the same ratio of 1:3 as above, aggregating to 22,54,173 equity shares of face value of Rs 10 each as fully paid up.  
Pending receipt of requisite listing permission from Bombay Stock Exchange for allotment of the bonus shares to the promoter shareholders, which has been applied for, the shares have not been allotted to the promoter shareholders as at the end of the period. Accordingly the above said bonus shares have not been capitalised from general reserves and accounted as share capital. The diluted earnings per share for the previous periods have been restated in the manner required by Accounting Standard 20 "Earnings Per Share" in respect of the above.
- b) The shareholders of the company at the Extra ordinary general meeting held on 24/08/2013, have approved further issue of 696,667 equity shares under Employee Stock Purchase Scheme, in accordance with SEBI (Employees Stock Option & Employee Stock Purchase Scheme) Guidelines, 1999. Pending receipt of requisite listing permission from Bombay Stock Exchange, which has been applied for, the allotment of such shares to employees is pending as at the end of the period.
- 3 Operations at one of the divisions of the company has been adversely affected for reasons beyond control of the management, which has impacted the financial results for the current period/quarter. Having regard to steps being taken by the management to address the issues, these are not likely to influence the financial results of the subsequent quarter.
- 4 The above results, were reviewed by the audit committee at their meeting held on 06.02.2014 and taken on record by the Board of Directors in their meeting held today.
- 5 Figures have been regrouped wherever necessary.

For Nitta Gelatin India Limited

  
G Suseelan  
Managing Director

Kochi  
February 07, 2014

