

Annual Report 2015 -16

BOARD OF DIRECTORS

Chairman	: SAJIV K. MENON
Directors	: N. TSUJI : K. MURALEEDHARAN NAIR
Managing Director	: M. A. XAVIER
Auditors	: Varma & Varma Chartered Accountants
Bankers	: State Bank of India, Ballarpur Bank of India, Bamni
Registered Office	: 54/1446, Panampilly Nagar, Kochi - 682 036
Factory	: P.O. Dudholi, Bamni Via, Ballarpur - 442701 Dist: Chandrapur Maharashtra, India



Bamni Proteins Ltd.

CIN No. : U24231KL1997PLC011971

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HOLDING COMPANY

NITTA GELATIN INDIA LTD. : P.B.No. 4262, 54/1446, Panampilly Nagar P.O., Kochi - 682 036

DIRECTORS' REPORT

**To,
The Shareholders,**

Your Directors present the 19th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS.

	Rs. In Lakhs	
	2015-16	2014-15
Profit /(Loss) before depreciation	188.98	50.15
Less: Depreciation	76.67	100.01
Profit/(Loss) before Tax	112.31	(49.86)
Income Tax Current Year	47.16	5.00
Less: Deferred Tax	(63.60)	0.00
Net Profit/ (Loss) carried to Balance Sheet.	128.75	(54.86)

REVIEW OF OPERATIONS

The Company continued to manufacture Ossein and Dicalcium Phosphate on behalf of Nitta Gelatin India Limited. (NGIL), the holding company and processed 10943 MT of CB as against 10400 MT during last year. Profit before tax for the current year was Rs. 112.31 Lakhs as against a net loss of Rs. 49.86 Lakhs in the previous year.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**Annexure I**".

DIRECTORS

1. The Board of Directors of the Company appointed Mr. Noriyuki Tsuji as the Director of the Company with effect from 09.07.2015 in place of Mr. T. Yamaki and Mr. Y. Morioka, whose nominations were withdrawn by Nitta Gelatin INC, Japan.
Your Directors place on record its sincere appreciation for the significant contribution made by Mr. T. Yamaki and Mr. Y. Morioka as Directors. The Board has also welcomed the new Director, Mr. Noriyuki Tsuji.
2. Under the provisions of the Articles of Association of the Company and as per the provisions of Section 152(6) of the Companies Act, 2013, 1/3rd of the total number of Directors who are liable to retire by rotation, are to retire at each Annual General Meeting. Accordingly, it is proposed that Mr. Sajiv K. Menon, Director, may retire

at the 19th Annual General Meeting, and he is eligible for reappointment.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee consists of three non-executive directors namely 1) Mr. Sajiv K Menon. 2) Mr. M.A. Xavier. and 3) Mr. K. Muraleedharan Nair:

The terms of reference of the Committee inter alia, include the following:

- a) Succession planning of the Board of Directors and Senior Management Employees;
- b) Identifying and selection of candidates for appointment as Directors based on certain laid down criteria;
- c) Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- d) Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration, review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

MEETINGS OF BOARD OF DIRECTORS

During the year four Board Meetings and one Nomination and Remuneration Committee were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



RELATED PARTY TRANSACTIONS

Details of Related Party Transactions during 01.04.2015 to 31.03.2016 are furnished as **Annexure II** in Form AOC-2

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Nil

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

The information as required under Section 134 of the Companies Act, 2013 read with Rule 8 (3) (A) of the Companies (Accounts) Rules, 2014 is annexed.

PARTICULARS OF EMPLOYEES

None of the employees of the Company are in receipt of remuneration in excess of limits specified under Sub clause 2, Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year.

DIRECTORS RESPONSIBILITY STATEMENT

As per the provisions of Section 134(5) of the Companies Act, 2013 your Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies 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 at the end of the financial year and of the profit and loss of the company for that period;

- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

At the Annual General Meeting held on 08.07.2014, M/s. Varma & Varma, Chartered Accountants, Ernakulum were appointed by the shareholders to hold office for a term of five years till conclusion of the Annual General Meeting relating to the FY 2018-19, subject to ratification by the shareholders hereafter at every Annual General Meeting. Accordingly, a resolution is being proposed for ratification of their appointment by the shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government of Maharashtra, Nitta Gelatin India Limited, the holding Company, Nitta Gelatin Inc., Japan, Kerala State Industrial Development Corporation Ltd. and the Company's Bankers for their co-operation and support. They also wish to acknowledge the valuable contribution of the employees of the Company at all levels.

For and on behalf of the Board,

Kochi
02-05-2016

Sajiv K. Menon
Chairman

ANNEXURE TO THE DIRECTOR'S REPORT**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies
(Accounts) Rules, 2014]**

A Conservation of Energy**1. Energy Conservation Measures Taken: 2015-16**

1. Reduction in Ossein drying time by 2 hrs by maintaining consistent steam pressure, raking of Ossein during drying bed, improved maintenance of facilities.
2. Reduction in DCP drying time by 2hrs by improving drying rate; steady hot air temp, improved DCP reaction and facility maintenance
3. Utilisation of cooling tower for cooling fresh water before chilling.
4. Utilisation of atmospheric conditions for water chilling Switching of chillers during winter nights
5. Utilisation of additional atmospheric air for drying during summer.(when temp. more than 38deg.C)
6. Condensate recovery from Ossein drier.
7. Translucent sheets in the building roof for day light utilisation inside the plant.

2. Proposal for energy saving during the Year 2016 -17

1. Bamboo dust pre heating system to save the fuel
2. Replacing Drying blower with energy efficient impeller to increase the Air flow rate and save power.
3. Energy conservation from VFD control on motors.

B (a) Technology Absorption

The technology for Ossein, Limed Ossein and Dicalcium Phosphate is being updated to be in line with Nitta Gelatin India Standards and efforts are being put in continuously towards technology upgradation.

(b) Expenditure on R&D

NIL

(C) Foreign Exchange Earnings and Outgo

NIL

FORM 'A'
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT
TO CONSERVATION OF ENERGY

	Current year 2015-2016	Previous year 2014-2015
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Units (KWH in Lacs)	42.90	41.05
Total Amount (Rs. in lacs)	320.86	294.84
Rate/Unit (Rs.)	7.48	7.18
(b) Own generation		
(i) Through Diesel Generator Units (KWH in lacs)	0.48	1.38
Unit per litre of diesel oil	3.43	3.69
Cost per unit (Rs.)	15.59	15.65
(ii) Through steam turbine/ generator	-	-
2 Firewood/Coal		
Quantity (MT)	28.80	28.480
Total cost (Rs. in lacs)	112.57	101.93
Average Rate (Rs./MT)	3,909	3,579
3 Bamboo/ Wood Dust		
Quantity (MT)	2,102.66	2199.00
Total Cost (Rs. In lacs)	70.51	76.51
Average Rate (Rs./ MT)	3,353	3,479
4 Furnace Oil		
Quantity (KL)	-	1.36
Total Cost (Rs. In lacs)	-	0.44
Average rate (Rs./ KL)	-	32,305
5 Others / Internal generation	-	-
B Consumption per unit of production:		
Product - Ossein		
1 Electricity (KWH/MT)	1,826.12	1750.35
2 Coal / Fire Wood (MT/MT)	1.23	1.21
3 Bamboo dust (MT/MT)	0	0
Product- Di - Calcium Phosphate		
1 Furnace Oil/Diesel (KL/MT)	0.061	0.059
2 Bamboo Dust (MT/MT)	0.400	0.450

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	U24231KL1997PLC011971
(ii)	Registration Date	18.12.1997
(iii)	Name of the Company	Bamni Proteins Limited
(iv)	Category/Sub Category of the Company	Public Company Limited by shares
(v)	Address of the Registered office and contact details	54/1446, Panampilly Nagar, Kochi-682 036 0484 2317805, 3099444
(vi)	Whether listed company Yes/No	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service*	% to total turnover of the company
1	Ossein	20119	70%
2	Di Calcium Phosphate (DCP)	20295	30%

* As per National Industrial Classification Code, 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nitta Gelatin India Limited	L24299KL1975PLC002691	HOLDING	82.35%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April, 2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	35,00,000	35,00,000	82.35	Nil	35,00,000	35,00,000	82.35	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (1)	Nil	35,00,000	35,00,000	82.35	Nil	35,00,000	35,00,000	82.35	Nil
(2) Foreign									
a) NRI(s) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporate	Nil	7,50,000	7,50,000	17.65	Nil	7,50,000	7,50,000	17.65	Nil
d) Banks/FI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (2)	Nil	7,50,000	7,50,000	17.65	Nil	7,50,000	7,50,000	17.65	Nil
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	Nil	42,50,000	42,50,000	100	Nil	42,50,000	42,50,000	100	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	42,50,000	42,50,000	100	Nil	42,50,000	42,50,000	100	Nil

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2015)			Share holding at the end of the year (31st March, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Nitta Gelatin India Limited	35,00,000	82.35	Nil	35,00,000	82.35	Nil	Nil
2	Nitta Gelatin Inc.	7,50,000	17.65	Nil	7,50,000	17.65	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nitta Gelatin India Limited				
a)	At the beginning of the year	35,00,000	82.35		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE		35,00,000	82.35
c)	At the end of the year			35,00,000	82.35
2.	Nitta Gelatin Inc.				
a)	At the beginning of the year	7,50,000	17.65		
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE		7,50,000	17.65
c)	At the end of the year			7,50,000	17.65

(iv) Shareholding Pattern of top ten Shareholders: Not Applicable
(other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable			
	At the end of the year				

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sajiv K Menon				
a)	At the beginning of the year	1	0%	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	1	0%
c)	At the end of the year	-	-	1	0%
2	Krishna Panicker Muraleedharan Nair				
a)	At the beginning of the year	1	0%	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	1	0%
c)	At the end of the year	-	-	1	0%
3	Takeo Yamaki*				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-
4	Yasuo Morioka**				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-
5	Mattathil Antony Xavier				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-
6	N.Tsuji***				
a)	At the beginning of the year	-	-	-	-
b)	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE	-	-	-
c)	At the end of the year	-	-	-	-

*Ceased w.e.f 09.07.15

**Ceased w.e.f 09.07.15

*** Appointed w.e.f 09.07.15

(V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL (In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director:

(In Rs.)

SN.	Particulars of Remuneration	Name of MD- Shri M.A Xavier	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,01,877	22,01,877
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	22,01,877	22,01,877
	Ceiling as per the Act	5,61,559	5,61,559

B. Remuneration to other directors : Nil

SN.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Nil				
1	Fee for attending board committee meetings	-				
	Commission	-				
	Others, please specify	-				
	Total (1)	-				
2	Other Non-Executive Directors	Sajiv K. Menon	Krishna Panicker Muraleedharan Nair	Takeo Yamaki*	Yasuo Morioka**	N T Suji***
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil



	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration					22,01,877
	Overall Ceiling as per the Act					5,61,559

*Ceased w.e.f 09.07.15

**Ceased w.e.f 09.07.15

*** Appointed w.e.f 09.07.15

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

NOT APPLICABLE

SN	Particulars of Remuneration	CS	CFO	Total
1	Gross salary	Not Applicable		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify..			
5	Others, please specify			
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NO PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		None			
Punishment		None			
Compounding		None			
B. DIRECTORS					
Penalty		None			
Punishment		None			
Compounding		None			
C. OTHER OFFICERS IN DEFAULT					
Penalty		None			
Punishment		None			
Compounding		None			

For and on behalf of the Board of Directors

Kochi
02.05.2016Sajiv K. Menon
Chairman

Form No. 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

- a) Name(s) of the related party and nature of relationship :
- b) Nature of contracts/arrangements/transactions:
- c) Duration of the contracts / arrangements/transactions :
- d) Salient terms of the contracts or arrangements or transactions including the value, if any :
- e) Justification for entering into such contracts or arrangements or transactions :
- f) Date(s) of approval by the Board
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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 : Nitta Gelatin India Ltd
- b) Nature of contracts/arrangements/transactions : Processing of raw materials on job work basis
- c) Duration of the contracts / arrangements/transactions : 01.04.2015 to 31.03.2016
- d) Salient terms of the contracts or arrangements or transactions including the value, if any : [i] Processing charges - 1391.88 Lakhs
- e) Date(s) of approval by the Mmembers, if any : 09.07.2015
- f) Amount paid as advances, if any : NIL

For and on behalf of the Board,

Kochi
02.05.2016

Sajiv K. Menon
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Bamni Proteins Limited,
Kochi

Report on Financial Statements

We have audited the accompanying financial statements of Bamni Proteins Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report 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 purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For VARMA AND VARMA
(FRN : 004532S)
(GOPI. K)
Partner

Place: Kochi-19
Date: 02.05.2016

CHARTERED ACCOUNTANTS
Membership No. 214435

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BAMNI PROTEINS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) We are informed that the fixed assets have been physically verified by the management at reasonable intervals and that no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and the records of the company examined by us, the title deeds of immovable properties are held in the name of the Company.
2. We are informed that the physical verification of inventory has been conducted at reasonable intervals by the management and that no material discrepancies were noticed on such verification.
3. According to the information and explanations given to us and the records of the company examined by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the reporting requirements under clauses (iii) (a) to (c) of paragraph 3 of the Order are not applicable.
4. According to the information and explanations given to us and the records of the company examined by us, the company has not granted any loans or given any guarantee or security or made any investment for which the provisions of sections 185 and 186 of the Act are applicable. Accordingly, the reporting requirements under clause (iv) of paragraph 3 of the Order are not applicable.
5. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder are not applicable.
6. To the best of our knowledge and according to



- the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company at this stage.
7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues, as applicable to the Company to the appropriate authorities during the year.
- There are no arrears of undisputed statutory dues outstanding as on the last day of the financial year for a period of more than six months from the date on which they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed amounts of taxes and duties outstanding to be deposited with appropriate authorities as at March 31, 2016.
8. According to the information and explanations given to us and the records of the Company examined by us, the Company has neither taken any loan or borrowing from financial institutions, banks or government nor has any dues to debenture holders. Accordingly, the reporting requirements under clause (viii) of paragraph 3 of the Order are not applicable.
9. According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans. Accordingly, the reporting requirements under clause (ix) of paragraph 3 of the Order are not applicable.
10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.
11. As stated in Note No 2.24.01 to the financial statements, consequent to the revision of remuneration payable to the Managing Director with effect from 01.07.2015, the remuneration paid/ payable to the Managing Director includes Rs 2,56,368/-, which is subject to approval of the Shareholders under the Companies Act, 2013 which is being sought for at the ensuing Annual General Meeting. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Note No 2.24 to the financial statements as required by the applicable accounting standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.
15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable

For VARMA AND VARMA
(FRN : 004532S)

(GOPI. K)
Partner

Place: Kochi-19
Date: 02.05.2016

CHARTERED ACCOUNTANTS
Membership No. 214435

ANNEXURE A REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BAMNI PROTEINS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Bamni Proteins Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 its business, including adherence to 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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

For VARMA AND VARMA
(FRN : 004532S)

(GOPI. K)
Partner

Place: Kochi-19
Date: 02.05.2016

CHARTERED ACCOUNTANTS
Membership No. 214435

BAMNI PROTEINS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a. Share capital	2.01	42,500,000	42,500,000
b. Reserves and surplus	2.02	6,744,875	(6,129,920)
2 Non - current liabilities			
a. Long-term provisions	2.03	14,656,606	17,568,595
3 Current Liabilities			
a. Trade payables	2.04		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,436,178	10,452,047
b. Other current liabilities	2.05	610,717	583,518
c. Short term provisions	2.06	2,310,532	1,589,149
Total		77,258,908	66,563,389
II. ASSETS			
1 Non-current assets			
a. Fixed assets			
i. Tangible assets	2.07	37,739,318	39,645,350
ii. Capital work-in-progress		61,866	130,331
b. Deferred Tax Assets (Net)	2.08	6,360,000	-
c. Long-term loans and advances	2.09	7,704,538	7,207,800
d. Other Non current assets	2.10	-	300,000
2 Current assets			
a. Inventories	2.11	5,002,189	7,299,497
b. Trade Receivables	2.12	18,466,307	9,842,562
c. Cash and cash equivalents	2.13	1,380,406	1,377,412
d. Short-term loans and advances	2.14	317,453	519,450
e. Other current assets	2.15	226,831	240,987
Total		77,258,908	66,563,389

Significant Accounting Policies and Notes on Accounts 1 & 2

The accompanying notes are an integral part of Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

SAJIV K. MENON
Chairman
DIN : 00168228

M.A. XAVIER
Managing Director
DIN : 07117456

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

NORIYUKI TSUJI
Director
DIN : 07189371

K. MURALEEDHARAN NAIR
Director
DIN : 002421663

Place: Kochi

Date: 02-05-2016

BAMNI PROTEINS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No	For the year ended 31.03.2016 Rupees	For the year ended 31.03.2015 Rupees
INCOME			
I. Revenue from operations	2.16	139,130,985	136,871,651
II. Other Income	2.17	511,488	443,141
III. Total Revenue		139,642,473	137,314,792
EXPENSES			
a. Employee benefits expenses	2.18	43,253,806	40,330,136
b. Depreciation and amortisation expenses	2.07	7,667,039	10,001,772
c. Other expenses	2.19	77,490,442	74,622,585
IV. Total Expenses		128,411,287	124,954,493
V. Profit/(Loss) before exceptional item and tax (III-IV)		11,231,186	12,360,299
VI. Exceptional Item	2.20	-	17,345,863
VII. Profit/ (Loss) before tax (V-VI)		11,231,186	(4,985,564)
VIII. Tax expense:			
a. Current Taxes		4,716,391	500,000
b. Deferred Tax		(6,360,000)	-
IX. Profit/ (Loss) for the period (VII-VIII)		12,874,795	(5,485,564)
X. Earnings per equity share:			
Nominal value of share Rs. 10/- (Rs. 10/-)			
- Basic/ Diluted	2.21	3.03	(1.29)
Significant Accounting Policies and Notes on Accounts	1 & 2		

The accompanying notes are an integral part of Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA
(FRN: 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

SAJIV K. MENON
Chairman
DIN : 00168228

NORIYUKI TSUJI
Director
DIN : 07189371

M.A. XAVIER
Managing Director
DIN : 07117456

K. MURALEEDHARAN NAIR
Director
DIN : 002421663

Place: Kochi

Date: 02-05-2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the year ended 31.03.2016 Rupees	For the year ended 31.03.2015 Rupees
A. Cash Flows from Operating Activities		
Net Profit/(Loss) before Tax & Extraordinary Items	11,231,186	(4,985,564)
Adjustments for:		
Depreciation	7,667,039	10,001,772
Interest income	(334,560)	(323,141)
	7,332,479	9,678,631
Operating Profit / (Loss) before Working Capital Changes	18,563,665	4,693,067
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	(8,330,848)	1,581,768
(Increase)/Decrease in Inventories	2,297,308	(2,234,269)
Increase/(Decrease) in Trade Payables and other Current liabilities	(2,167,013)	3,072,253
	(8,200,553)	2,419,752
Cash generated from Operations	10,363,112	7,112,819
Direct Taxes paid	(5,004,029)	(4,006,034)
Cash Flow Before Extraordinary Items	5,359,083	3,106,785
Extraordinary Items	-	-
Net Cash from/(used) in Operating Activities	5,359,083	3,106,785
B Cash Flows from Investing Activities		
Purchase of Fixed Assets	(5,704,805)	(3,123,696)
Interest Received	348,716	319,163
Net Cash from/(used) in Investing Activities	(5,356,089)	(2,804,533)
C Cash Flows from Financing Activities		
Repayment of Long Term Borrowings	-	-
Interest paid	-	-
Net Cash from/(used) in Financing Activities	-	-
Summary		
Net Cash from/(used) in Operating Activities	5,359,083	3,106,785
Net Cash from/(used) in Investing Activities	(5,356,089)	(2,804,533)
Net Cash from/(used) in Financing Activities	-	-
Net Increase/(Decrease) in Cash Equivalents	2,994	302,252



Particulars	For the year ended 31.03.2016 Rupees	For the year ended 31.03.2015 Rupees
Cash and Cash Equivalents at beginning of the year	1,377,412	1,075,160
Cash and Cash Equivalents at the end of the year	1,380,406	1,377,412
	2,994	302,252

Note: Cash and cash equivalents at the end of the year includes deposit of Rs 3,63,338/- (Rs 5,89,324/-) held under lien, which is not available for the immediate use as on the Balance Sheet date..

As per our report of even date attached

For VARMA AND VARMA
(FRN: 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

Place: Kochi

Date: 02-05-2016

For and on behalf of the Board of Directors

SAJIV K. MENON
Chairman
DIN : 00168228

NORIYUKI TSUJI
Director
DIN : 07189371

M.A. XAVIER
Managing Director
DIN : 07117456

K. MURALEEDHARAN NAIR
Director
DIN : 002421663

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

1 Significant Accounting Policies

a **Basis of Accounting**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year..

b **Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

c **Revenue Recognition**

Income from job charges is recognised on completed service method

d **Fixed Assets**

Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment in value if any, is adjusted.

e **Depreciation**

i Depreciation on Plant and Machinery (other than Service Equipments) is provided on Straight Line Method. The useful lives adopted are as prescribed under Schedule II of the Companies Act, 2013, except in respect of the following items, which are depreciated at lower useful lives on the basis of technical evaluation:-

- a) Plant and Machinery - 8.40 years
- b) Effluent Treatment Plant - 5 years

ii Depreciation on Service Equipments and other fixed assets is provided on Written Down Value basis on the useful lives prescribed in Schedule II of the Companies Act, 2013.

f **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 net realizable value of bought out inventories is taken at their current replacement value.

g **Employee Benefits :**

a) **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognized in the period in which the employee renders the related service.

b) Defined Contribution Plans

The company has defined contribution plan for employees, i.e. for Provident Fund. The contributions paid/payable to this plan during the year are charged to the Statement of Profit and Loss for the year.

c) Defined Benefit Plans: Gratuity

The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost if any is recognized in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

d) Long Term Employee Benefits: Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure for the period in which they are incurred.

i) Income Tax

Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Deferred Tax assets / liabilities representing timing differences between accounting income and taxable income are recognized to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognized if there is a virtual certainty that sufficient future taxable income will be available to realize the same.

j) Earnings per share

Basic/diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/diluted potential equity shares outstanding as at the end of the year, as the case may be.

k) Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

l) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value

and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation.

Contingent assets are neither recognised nor disclosed in the accounts.

2 Notes on accounts for the financial year ended 31st March, 2016

2.01 Share Capital

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Authorised:		
4,250,000(4,250,000) Equity Shares of Rs.10/- each	42,500,000	42,500,000
Issued and Subscribed and fully paid:		
4,250,000 (4,250,000) Equity Shares of Rs.10/- each	42,500,000	42,500,000
	42,500,000	42,500,000

Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	Rupees	Number	Rupees
No. of shares as at the beginning of the financial year	4,250,000	42,500,000	4,250,000	42,500,000
No. of shares as at the end of the financial year	4,250,000	42,500,000	4,250,000	42,500,000

Particulars of Shareholders holding more than 5% share in the Company

Particulars	As at 31.03.2016		As at 31.03.2015	
	%	No. of shares	%	No. of shares
Nitta Gelatin India Ltd (Holding company)	82.35	3,500,000	82.35	3,500,000
Nitta Gelatin Inc, Japan	17.65	750,000	17.65	750,000

Particulars of Shares held by holding company

Out of the equity shares issued by the company, shares held by its holding company are as below:

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Nitta Gelatin India Ltd		
3,500,000 (3,500,000) equity shares of Rs.10/- each	35,000,000	35,000,000

Terms/ Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares with a face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share.

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

**2.02 Reserves and Surplus**

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Surplus /(Deficit) in Statement of Profit and Loss		
Opening Balance	(6,129,920)	1,133,438
Adjustments for assets having no remaining useful life	-	(1,777,794)
Net Profit/(Loss) after tax as per Statement of Profit and Loss	12,874,795	(5,485,564)
Closing Balance	6,744,875	(6,129,920)
	6,744,875	(6,129,920)

2.03 Long-term Provisions

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Provision for Employee benefits (see Note 2.03.01)	14,656,606	17,568,595
	14,656,606	17,568,595

2.03.01 Disclosures required under Accounting Standard 15 - "Employee Benefits"

1. Defined Contribution Plan

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

Particulars	Current Year Rupees	Previous year Rupees
Employers contribution to Provident Fund	2,976,305	2,795,634

2. Defined Benefit Plan

Gratuity - Unfunded Obligation

i	Actuarial Assumptions	Current Year	Previous Year
	Discount Rate (per annum)	7.8%	7.8%
	Salary escalation rate*	4.0%	4.0%
	Attrition rate	1.0%	1.0%

* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii	Reconciliation of present value of obligations	Amount (Rupees)	Amount (Rupees)
	Present value of obligation at beginning of the year	15,477,080	14,431,591
	Current Service Cost	623,908	625,888
	Past Service Cost	-	-
	Interest Cost	1,224,997	1,204,187
	Actuarial (gain)/loss	(412,016)	1,528,999
	Benefits Paid	(3,055,472)	(2,313,585)
	Present value of obligation at the end of the year	13,858,497	15,477,080

iii	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2015-16	2014-15	2013-14	2012-13	2011-12
	Present value of obligations at the end of the year	13,858,497	15,477,080	14,431,591	14,468,687	13,284,372
	Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	13,858,497	15,477,080	14,431,591	14,468,687	13,284,372

iv	Expenses recognised in the Statement of Profit and Loss	Amount (Rupees)	Amount (Rupees)
	Current Service Cost	623,908	625,888
	Interest Cost	1,224,997	1,204,187
	Actuarial (gain) / loss recognised in the period	(412,016)	1,528,999
	Past Service Cost	-	-
	Total expenses recognised in the Statement of Profit and Loss for the year	1,436,889	3,359,074

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

3. Long Term Employee Benefits

Compensated absences (Vesting and Non Vesting): Unfunded Obligation

i	Actuarial Assumptions	Current Year	Previous Year
	Discount Rate (per annum)	7.8%	7.8%
	Salary escalation rate*	4.0%	4.0%
	Attrition rate	1.0%	1.0%

* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii	Reconciliation of present value of obligations	Amount (Rupees)	Amount (Rupees)
	Present value of obligation at beginning of the year	3,680,664	3,008,440
	Current Service Cost	609,408	202,892
	Interest Cost	296,990	232,396
	Actuarial (gain)/loss	363,159	968,413
	Benefits Paid	(1,115,262)	(731,477)
	Present value of obligation at the end of the year	3,108,641	3,680,664



iii	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	2015-16	2014-15	2013-14	2012-13	2011-12
	Present value of obligations at the end of the year	3,108,641	3,680,664	3,008,440	2,761,987	2,451,484
	Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	3,108,641	3,680,664	3,008,440	2,761,987	2,451,484
iv	Expenses recognised in the Statement of Profit and Loss			Amount (Rupees)	Amount (Rupees)	
	Current Service Cost			609,408	202,892	
	Interest Cost			296,990	232,396	
	Expected return on plan assets					
	Actuarial (gain) / loss recognised in the period			(363,159)	968,413	
	Past Service Cost			-		
	Total expenses recognised in the Statement of Profit and Loss for the year			543,239	1,403,701	

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

2.04 Trade Payables

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,436,178	10,452,047
	10,436,178	10,452,047

2.04.01 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Based on available information, there are no balances outstanding as payable to such suppliers at the year end. In the opinion of the management there are no amounts paid / payable towards interest under the said statute.

2.05 Other Current Liabilities

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Statutory Dues	610,717	571,255
Creditors for capital goods	-	12,263
Total	610,717	583,518

2.06 Short-term Provisions

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Provision for employee benefits [See Note 2.03.01]	2,310,532	1,589,149
	2,310,532	1,589,149

Note 2.07 - FIXED ASSETS & CAPITAL WORK IN PROGRESS

Amount in Rs.

Particulars	Gross Block (At cost)			Depreciation				Net Block		
	As at 01.04.2015	Additions	Disposals/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	Transition adjustment	Disposals/ Adjustments	As at 31.03.2016	As at 31.03.2015
Land	2,925,981	-	-	2,925,981	-	-	-	-	2,925,981	2,925,981
Building	(2,925,981)	-	-	(2,925,981)	-	-	-	-	(2,925,981)	(2,925,981)
	40,010,918			40,010,918	25,816,431	2,418,507			11,775,980	14,194,487
	(39,027,795)	(983,123)	-	(40,010,918)	(19,561,885)	(4,681,219)	(1,573,327)	-	(14,194,487)	(19,465,910)
Plant and Equipment	86,658,738	5,582,201	1,281,716	90,959,223	64,773,774	4,986,670		1,281,716	22,480,495	21,884,964
	(84,318,777)	(2,339,961)	-	(86,658,738)	(59,951,159)	(4,791,487)	(31,128)	-	(21,884,964)	(24,367,618)
Office Equipments	3,296,764	92,000	205,198	3,183,566	2,976,904	142,132		205,198	269,728	319,860
	(3,143,018)	(153,746)	-	(3,296,764)	(2,439,051)	(365,348)	(172,505)	-	(319,860)	(703,967)
Vehicles	1,045,078	-	-	1,045,078	835,633	75,169		-	134,276	209,445
	(1,045,078)	-	-	(1,045,078)	(717,759)	(117,874)		-	(209,445)	(327,319)
Furniture and Fixtures	894,105	86,806	75,444	905,467	783,492	44,561		75,444	152,858	110,613
	(887,213)	(6,892)	-	(894,105)	(736,814)	(45,844)	(834)	-	(110,613)	(150,399)
Total	134,831,584	5,761,007	1,562,358	139,030,233	95,186,234	7,667,039	-	1,562,358	37,739,318	39,645,350
Previous year	(131,347,862)	(3,483,722)	-	(134,831,584)	(83,406,668)	(10,001,772)	(1,777,794)	-	(39,645,350)	(47,941,194)
Capital Work in progress	130,331	61,866	130,331	61,866					61,866	130,331
	(250,594)	(130,331)	(250,594)	(130,331)					(130,331)	(250,594)

2.07.01 Estimated amount of contracts remaining to be executed on capital account- Rs.Nil(Rs Nil)

**2.08 Deferred Tax Assets (Net)**

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
A. Deferred tax liabilities		
On excess of net book value over income tax written down value of fixed assets	100,000	-
B. Deferred tax assets		
On Provisions	69,000	-
On other disallowances	6,391,000	-
Deferred Tax assets (Net) (B-A)	6,360,000	

2.09 Long Term Loans and Advances

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
(Unsecured, Considered Good)		
Income Tax (Net)	4,705,192	4,417,554
Security Deposits	2,999,346	2,790,246
	7,704,538	7,207,800

2.10 Other Non Current Assets

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Balance with Banks in Deposit Account (held under lien towards Bank Guarantee) (Refer 2.10.01)	-	300,000
	-	300,000

2.10.01 Balance with banks in Deposit Accounts represent Rs. Nil (Rs. 300,000) held as security against Bank Guarantee.

2.11 Inventories

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Stores & Spares	4,819,911	7,125,607
Loose Tools	182,278	173,890
	5,002,189	7,299,497

2.11.01 Method of valuation of inventories - Refer 1(f) of Significant Accounting Policies

2.12 Trade Receivables

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, Considered doubtful	207,460	207,460
	207,460	207,460
Less : Provision for doubtful debts	207,460	207,460
	-	-
Others (Unsecured, Considered Good)		
- Due from Nitta Gelatin India Ltd (Holding company)	18,466,307	9,842,562
	18,466,307	9,842,562

2.13 Cash and Cash Equivalents

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Balance with Banks		
in current accounts	260,989	668,243
in deposit accounts	1,012,760	589,324
Cash on hand	106,657	119,845
	1,380,406	1,377,412

2.13.01 Cash and cash equivalents at the end of the year includes balance with banks in deposit account of Rs Nil (Rs 5,89,324/-) with a maturity period of greater than 12 months as at the end of the year.

2.13.02 Cash and cash equivalents at the end of the year includes deposit of Rs 3,63,338/- (Rs 5,89,324/-) held as security against bank guarantee.

2.14 Short Term Loans and Advances

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	317,453	519,450
	317,453	519,450

2.15 Other Current Assets

Particulars	As at 31.03.2016 Rupees	As at 31.03.2015 Rupees
Interest receivable	226,831	240,987
	226,831	240,987

2.16 Revenue From Operations

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Sale of services		
Income from Job charges	139,130,985	136,785,987

**Other Operating Revenues**

Provision / sundry balances written back		85,664
	139,130,985	136,871,651

2.17 Other Income

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest Income	334,560	323,141
Rent	120,000	120,000
Other Income	56,928	-
	511,488	443,141

2.18 Employee Benefits Expense

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Salaries & Wages	39,442,902	36,685,496
Contributions to provident and other funds	2,986,349	2,805,678
Workmen and Staff Welfare Expenses	824,555	838,962
	43,253,806	40,330,136

2.19 Other Expenses

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Consumption of Stores, Spares & Consumables	5,257,417	6,071,258
Power, Fuel, Water & Gas	52,665,870	51,051,665
Equipment Rent	-	-
Repairs		
- Buildings	798,581	467,830
- Plant & Machinery	3,095,125	3,069,288
- Others	734,114	824,987
Loading, Transportation and Other charges on products	2,207,426	2,502,838
Insurance	209,415	220,206
Rent	192,900	24,000
Rates & Taxes	1,442,687	970,605
Postage & Telephone	554,962	537,547
Printing & Stationery	156,239	220,720
Travelling & Conveyance	3,925,381	3,309,421
Payment to the Auditor [See Note 2.19.01]	275,137	249,012
Advertisement & Publicity	45,000	31,800
Professional & Consultancy charges	1,021,845	842,308
Bank Charges	5,766	21,204
Security service charges	2,082,819	2,195,882
Miscellaneous Expenses	2,819,758	2,012,014
	77,490,442	74,622,585

2.19.01 Payment to the Auditor

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
a. Statutory Audit Fees	192,500	175,000
b. Taxation Matters	50,000	46,620
c. Service Tax on above	32,637	27,392
	275,137	249,012

2.20 Exceptional Item

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Claim towards goods rejected for quality issue	-	17,345,863
	-	17,345,863

2.20.01 The amount represents claims raised by the Holding Company M/s Nitta Gelatin India Limited towards value of goods rejected due to quality issue during the processing activity.

2.21 Earnings per equity share

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Profit/(Loss) for the year	12,874,795	(5,485,564)
Weighted average number of equity shares of Rs 10/- each fully paid up	4,250,000	4,250,000
Earnings per Share (Basic & Diluted)	3.03	(1.29)

2.22 Contingent liabilities

The details of Provisions and Contingent Liabilities are as under (Disclosed in terms of Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets) as notified by Companies (Accounting Standards) Rules, 2006.

2.22.01 Contingent Liabilities not provided for:

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Bank Guarantee	300,000	900,000
	300,000	900,000

2.23 The Company is engaged in the business of manufacture / job conversion of Ossein and hence constitute a single business segment.

2.24 Disclosure of transactions with Related Parties as required by Accounting Standard - 18 on Related Party Disclosures as prescribed by Companies (Accounting Standards) Rules, 2006.

A	Related parties and nature of relationship	
i	Nitta Gelatin India Limited	- Holding Company
ii	Key Management Personnel	
	M.A Xavier	Managing Director (w.e.f 01.04.2015)
	C. Srikumar	Managing Director (upto 31.03.2015)



B Description of Transactions

Nature of transaction	Key Management Personnel (Rs)	Holding Company (Rs)	Total (Rs)
Income from job charges	-	139,130,985	139,130,985
	-	(136,785,987)	(136,785,987)
Income from Rent	-	120,000	120,000
	-	(120,000)	(120,000)
Remuneration to Managing Director (Refer Note No 2.24.01)	2,501,300 (1,328,576)	-	2,501,300 (1,328,576)
Claim towards goods rejected for quality issue	-	(17,345,863)	(17,345,863)
Expenses recovered	-	6,391,953	6,391,953
	-	(3,947,814)	(3,947,814)
Reimbursement of Expenses	-	791,445	791,445
	-	(365,770)	(365,770)
Receivable: - Nitta Gelatin India Ltd	-	18,466,307	18,466,307
	-	(9,842,562)	(9,842,562)

2.24.01 Consequent to the revision of remuneration payable to the Managing Director with effect from 01.07.2015, the remuneration paid/ payable to the Managing Director includes Rs 2,56,368/-, which is subject to approval of the Shareholders under the Companies Act, 2013 which is being sought for at the ensuing Annual General Meeting.

2.25 Break-up of Consumption

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	%	Amount (Rs.)	%	Amount (Rs.)
Stores & Spares				
Imported	-	-	-	-
Indigenous	100	52,57,417	100	6,071,258
	100	52,57,417	100	6,071,258

2.26 Figures have been rounded off to the nearest rupee. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's layout..

As per our report of even date attached

For VARMA AND VARMA
(FRN: 004532S)

(GOPI. K)
Partner

CHARTERED ACCOUNTANTS
Membership No. 214435

Place: Kochi
Date: 02-05-2016

For and on behalf of the Board of Directors

SAJIV K. MENON
Chairman
DIN : 00168228

NORIYUKI TSUJI
Director
DIN : 07189371

M.A. XAVIER
Managing Director
DIN : 07117456

K. MURALEEDHARAN NAIR
Director
DIN : 002421663

