



NOTICE

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the Members of KRITI INDUSTRIES (INDIA) LIMITED will be held on Saturday the 24th of September, 2011 at 3.00 P.M. at Corporate Support Center situated at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore (M.P.) - 452001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Directors' report and Auditors' report thereon.
2. To declare Dividend for the Financial Year ended on 31st March, 2011.
3. To appoint a Director in place of Mr. Sajjan Singh Mehta, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.S. Kothari, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as Ordinary Resolution.

"RESOLVED THAT M/s R.D. Asawa & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company, in place of M/s Subhash Deshpande & Co., who has shown their inability to continue as Auditors of the Company, to hold the office of Auditors from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 314 read with Schedule XIII thereof (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby accord its approval to the re-appointment of Smt. Purnima Mehta as the Whole-Time Director designated as the Executive Director of the Company for a further period of 5 years with effect from 1st July, 2011 on the remuneration and terms and conditions mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as the Board may deem fit within the limits specified in Schedule XIII of the said Act, as existing or as amended, modified or re-enacted from time to time.

RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed explanatory statement be paid as minimum remuneration to Smt. Purnima Mehta notwithstanding that in any financial year of the Company during her tenure as Whole- time Director, the Company has made no profit or profits are inadequate."

Place: Indore
Date: 25 July, 2011

By order of the Board,

Shiv Singh Mehta
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 18th September, 2011 to 24th September, 2011 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting.
 - (a) The Dividend on equity shares if declared at the meeting, will be credited/dispatched between 26th September, 2011 and 1st October, 2011. To those members whose names shall appear on the Company's Register of Members on 18th September, 2011 in respect of the shares held in dematerialised form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank



particulars or bank mandates, such changes are to be advised only to the depository participant of the members.

4. Relevant documents referred into the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of meeting.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
6. Members desires of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. For the Equity Shares of the Company is INE798K01010. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., Electronic Complex, Pardeshi Pura, Indore (M.P.) 452 010.
8. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down load from the website of the Ministry of Corporate affairs.
9. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd., Indore.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by email to its members. To support these green initiative of the government in full measures, members who have not registered their email address, so far are requested to register their email address, in respect of electronic holdings with the CDSL/NSDL. Members holding

shares in physical form then also please update your e-mail id at <http://www.ankitonline.com>.

11. All the shareholder are requested to take interested in opting for ECS facility, he/ she may please send to our Registrar and Transfer Agent "Ankit Consultancy Private Limited" the ECS MANDATE FORM contained in the last page of the Annual report by enclosing a blank cheque leaf or a cancelled cheque for the purpose of noting the MICR details. The ECS mandate details provided by an investor will be used for payments in respect of shares held by such investor.

In case the investor is holding the shares in demat form, such investor may please contact his/her Depository Participant for recording the ECS mandate.
12. Brief resume of directors those proposed to be appointed, nature of their expertise in specific functional areas, names of companies, in which they hold directorship, shareholding and relationship between directors inter-se stipulated under Clause No.49 of the Listing Agreement with the stock exchanges, or provided here under:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Annual General Meeting held on 25th August 2006 re-appointed Smt. Purnima Mehta as Whole Time Director of the Company for a period of five years w.e.f. 1st July 2006. Smt. Purnima Mehta is B.A. (Hons.) in Economics and has also done her MBA. She has in-depth experience of 18 years in trade and industry. The Board of Directors of the Company is of the opinion that under the initiative and direction of Smt. Purnima Mehta, the Company has benefited in its overall operations. Hence the Board of Directors recommends the following resolution for re-appointment of Smt. Purnima Mehta Whole Time Director & designated as the Executive Director of the Company w.e.f. 1st July, 2011 for the approval of the members in ensuing Annual General Meeting of the Company on the following terms and conditions.

- a) Salary : Rs. 150000/- per month
- b) Perquisites and allowances: Rs. 37500/- per month
The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Payment of club fees.
- c) Commission: Payable for each financial year @ 1% of the net profit as computed in accordance with the provisions of Section 349 & 350 of the Companies Act, 1956.
- d) Exempted perquisite not computed within the provisions of Schedule XIII.
 - a. Company's Contribution towards to EPF and Superannuation funds as per rules of the Company.



- b. Leave encashment at the end of the tenure as per rules of the Company.
- c. Payment of gratuity as per the payment of Gratuity Act.
- e) Reimbursements and other facilities; not considered as perquisites :
 - I. Reimbursement of expenses incurred for travelling, entertainment, boarding and lodging during business trips purpose.
 - II. Reimbursement / expenses on Telephone, Internet facility and cell phone.
 - III. The Company shall provide car with driver or reimbursement of the car expenses if taken on hire.

Minimum Remuneration: In the event of inadequacy or absence of profits in any financial year during the tenure, the remuneration as set above in (a), (b), (d) and (e) shall be the minimum remuneration payable to her.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Smt. Purnima Mehta, as required under Section 302 of the Companies Act, 1956.

Smt. Purnima Mehta herself, Shri. Shiv Singh Mehta, being relative may be deemed to be interested in the resolution.

Additional information relevant for the approval of the remuneration payable to Smt. Purnima Mehta

1. General Information:

- a. Nature of Industry: The Company is engaged in manufacturing, processing, buying, selling, reselling and import of pipes and fitting P.V.C. extrusions, LDPE, HDPE etc.
- b. Date or expected date of commencement of commercial production: The Company was incorporated on 12th March, 1990 and the commercial production is carried out since then.
- c. Financial performance as per Audited Financial Results for the year ended 31st March, 2011 and for the year ended 31st March, 2010 are:

Particular	31.03.2011 (Rs. in crores)	31.03.2010 (Rs. in crores)
Income from operation	277.82	416.89
Profit before depreciation	10.19	16.73
Profit Before Tax	7.42	12.32
Profit after tax	4.96	9.11

d. Export Performance:

- ❖ Foreign exchange earned for the financial year ended 31st March 2011: Rs. NIL
- ❖ Foreign exchange earned for the financial year ended 31st March 2010: Rs. 5563.65 Lacs.

2. Information about the appointee:

- a. Background Details: Smt. Purnima Mehta is a B.A. (Hons.) and M.B.A. She has over 18 years of diverse experience in the Corporate Sector.
- b. Past Remuneration drawn (during 2010-2011) : 9 Lacs
- c. Job Profile and Suitability: Smt. Purnima Mehta exercises substantial powers of management, subject to the superintendence, control and direction of the Board of Directors/Chairman of the Company. She is responsible for the operations and affairs of all Divisions of the Company. Taking into consideration her qualifications and expertise, Smt. Purnima Mehta is best suited for the responsibilities assigned to her by the Board of Directors.
- d. Remuneration Proposed : as above
- e. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other Companies.

3. Other information:

- a. Steps taken or proposed to be taken for improvement of profitability:

The company has taken the following steps for improvement in performance during the past years.

- ❖ Improved market service and customer interaction.
- ❖ Sharp focus on big scale cost reduction.
- ❖ Dealer rationalization and emphasis on collection.
- ❖ Training program for employees.
- ❖ Continuous product improvement.

- b. Expected increase in productivity and profits in measurable terms: The above steps taken by the company have resulted in increase in company's profit. The improvement is expected to continue in the current year and beyond.

Your board proposes resolution, as set out in Item No 6 as a Special Resolution.



Details of the directors seeking reappointment at the Annual General Meeting

Name of the Director	Smt. Purnima Mehta	Shri Sajjan Singh Mehta	Shri S.S. Kothari
Date of Birth	25-05-1960	26-07-1927	15-06-1930
Date of Appointment	01-10-1999	16-03-1990	24-04-1992
Expertise in specific area	Accounts & Finance, Purchase, IT, HR and Administration.	Marketing & Administration	Company Law, Taxation, Accounting & Economics
Qualification	B.A. (Hons), M.B.A, PGDBM	B. Sc	Ph. D (Econ.), FCA
List of Outside Directorship held	Kriti Nutrients Ltd. Kasta Pipes Pvt. Ltd. Shipra Pipes Pvt. Ltd. Chetak Builders Pvt. Ltd. Kriti Auto Accessories Pvt. Ltd. Sakam Trading Pvt. Ltd.	Sakam Trading Private Ltd. Chetak Builders Private Ltd. Kriti Specialities Private Ltd.	Jay Shree Tea & Industries Ltd. Maharaja Shree Umaid Mills Ltd. Kothari Management & Industrial Consultants Pvt. Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	None	Chairman : Investors Grievances Committee	None
Chairman / member of the Committees of Director of other companies in which he/she is a Director			
(a) Audit Committee	None	None	Jay Shree Tea & Industries Ltd. Maharaja Shree Umaid Mills Ltd.
(b) Investors' Grievance Committee	None	None	Jay Shree Tea & Industries Ltd. Maharaja Shree Umaid Mills Ltd.
(c) Remuneration Committee	None	None	Jay Shree Tea & Industries Ltd.
No. & Percentage of Shares held	No. of Shares: 125592 Percentage of Shares held: 0.25%	No. of Shares: 860724 Percentage of Shares held: 1.74%	Nil



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 21st Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2011.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2011 is summarized below:

(Rs. in Lacs)

PARTICULARS	Current Year 2010-11	Previous Year 2009-10
Total Income	27782.78	41689.19
Profit before Interest, Depreciation & Taxes	1949.36	3034.06
Less: Interest	930.70	1361.48
Profit before depreciation	1018.66	1672.58
Less: Depreciation	277.14	440.83
Profit/ (Loss) after depreciation	741.52	1231.75
Provision for Taxation	245.55	320.82
Net Profit/(loss)	495.97	910.93
Add: Balance Brought Forward	695.08	688.92
Profit available for Appropriation	1191.06	1599.85
Proposed Dividend	74.41	74.41
Corporate Dividend Tax	12.07	12.64
Transferred to General Reserve	400.00	782.72
Transferred to Contingency Reserve	25.00	35.00
Balance Carried over to Balance Sheet	679.58	695.08

YEAR IN RETROSPECT

The Company has achieved total Turnover of Rs. 27782.78 lacs and Profit before Tax Rs. 741.52 lacs and Profit after Tax Rs. 495.97 lacs.

During the year the Company has undertaken expansion of capacity for manufacture of PVC/ HDPE pipes & fittings and Drip Irrigation.

DIVIDEND:

In view of the improved performance of the company, your directors are pleased to recommend a dividend of 15% for the year ended 31st March, 2011 on 49603520 equity shares of Rs. 1/- each aggregating to Rs. 74.41 lacs.

CORPORATE GOVERNANCE:

The Company has complied with the mandatory provisions on Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with the Auditors' Certificate on its compliance.

SECRETARIAL COMPLIANCE CERTIFICATE:

In pursuance of Section 383A of the Companies Act, 1956, a certificate issued by Company Secretary in Whole time practice is enclosed herewith and forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors hereby confirm that: -

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at end of the financial year ended 31st March, 2011 and of the Profit and Loss Account of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the year ended 31st March, 2011 on a going concern basis.

SUBSIDIARY COMPANY:

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 2634.17 lacs representing a profit after tax of Rs. 68.28 lacs.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiary is attached. The copies of the Balance sheet, Profit & Loss account, Director's Report, Auditor's Report etc. are attached herewith.

AUDITORS AND AUDITOR REPORT

M/s. Subhash Deshpande & Co., Chartered Accountant, Indore the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and has shown their inability to continue as Auditors of the Company.

Company has received notice from a member of the Company under section 190 of the Companies Act, 1956 for appointment of M/s R.D. Asawa & Company, Chartered Accountants, as the Auditors of the Company from the conclusion of ensuring Annual General Meeting.

Shri R. D. Asawa of M/s. R. D. Asawa & Co. Chartered Accountant, was the signing partner of M/s. Subhash Deshpande & Co. in the earlier years.

The observation of Auditors in their report read with the relevant



notes to accounts in Schedule "P" are self-explanatory and do not require further explanation

DIRECTORS:

Shri Sajjan Singh Mehta and Shri S.S. Kothari, retire by rotation at the 21st Annual General Meeting and being eligible offers themselves for re-appointment.

STATUTORY INFORMATION:

PUBLIC DEPOSIT:

The company has not received/accepted any deposits from public during the year under review.

PARTICULARS OF EMPLOYEES

The Company does not have on its roll any employee drawing remuneration attracting provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

INDUSTRIAL RELATIONS

Your directors' wish to place on record their appreciation for the contribution made by the company's workforce at all levels of operations for the success and progress of the company.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the co-operation and assistance extended by the Central/State Government, Financial Institutions, and Banks. The Directors also convey their sincere thanks for the continued support given to the Company by the esteemed shareholders, suppliers, dealers and valued customers.

FOR & ON BEHALF OF THE BOARD,

Place: Indore

Date: 25th July, 2011

Shiv Singh Mehta

Managing Director

ANNEXURE

Information as per Section 217(1) (e) read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March 2011.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

- (1) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.
- (2) New systems are being devised to reduce electric power, fuel, and water consumption.

(b) Additional Investment and proposals for reduction of consumption of energy.

By relocating, modifying the available equipment, energy, conservation measures are being implemented and major investments have not been made for equipments so far.

(c) Impact of above measures:

The above measures have resulted in energy saving and subsequent decrease in the cost of production.

(d) Information in respect of Pipes & Fittings is not applicable under Section 217(1)(e) of the Companies Act, 1956.

FORM - B

(A) (I) Research and Development (R & D)

Specific areas in which R & D is being carried out by the Company.

The company undertakes upgradation of its products as a continuous process. New products and process equipments have been developed resulting in improved efficiency of operations.

(II) Benefits derived

With the installation of various additional equipments it was possible to achieve consistency in production and quality of products.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company does not have any imported technology and hence the details required to be given for the imported technology is not applicable.

(C) FOREIGN EXCHANGE EARNING & OUTGO

(Rs. In Lacs)

	2010-11	2009-10
1. Earning		
FOB rate of Export	0.00	5563.65
2. Outgoing		
a) CIF Value of Imports	5519.94	11712.04
b) Expenditure in Foreign Currency	68.41	26.86



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Kriti group is committed to the adoption of best governance practices and is instill in company's vision, processes and structures to make decisions that ensure longer-term sustainability and thus creating value for all its stakeholders continuously. On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large.

In line with this philosophy, the Company continuously strives for excellence through adoption of best governance. Your company is compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchange. The details of compliance are as follows:

I. BOARD OF DIRECTORS

Composition of Board

The Board of Directors of the Kriti Industries (India) Limited consists of an optimum combination of executive, non-executive and independent directors to ensure the independent functioning of the board. The Board consists of eight Directors. Out of which six are non-executive directors. Four out of the six non-executive directors are independent.

The Board of Directors has an adequate representation of professional, qualified, Non-Executive and Independent Directors. Decisions at the Board and Committee meetings are taken unanimously.

Directors retiring by rotation and seeking for re-appointment

Shri Sajjan Singh Mehta and Shri S. S. Kothari are the directors liable to retire by rotation and being eligible offer themselves for re-appointment.

As required under Clause 49 of the Listing Agreement, information such as brief resume, nature of expertise and other directorships is given here below:

Name of the Director	Shri Sajjan Singh Mehta	Shri S.S. Kothari
Date of Birth	26-07-1927	15-05-1930
Date of Appointment	16-03-1990	24-04-1992
Expertise in specific area	Marketing & Administration	Company Law, Taxation, Accounting & Economics
Qualification	B. Sc	Ph. D (Econ.), FCA
List of Outside Directorship held	Sakam Trading Private Limited Chetak Builders Private Limited	Jay Shree Tea & Industries Limited Maharaja Shree Umaid Mills Limited Kothari Management & Industrial Consultants Pvt. Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Investors Grievances Committee	Member: Auditors Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	None	Jay Shree Tea & Industries Limited Maharaja Shree Umaid Mills Limited
(b) Investors' Grievance Committee	None	Jay Shree Tea & Industries Limited Maharaja Shree Umaid Mills Limited
(c) Remuneration Committee	None	Jay Shree Tea & Industries Limited
No. & Percentage of Shares held	No. of Shares: 860724 Percentage of Shares held: 1.74%	Nil



The composition of the Board of Directors and the number of board committee in which they are chairman/ member as on 31st March, 2011 are as under:

Name	Category	No. of Directorship in other Public Limited Companies	No. of Committee position held in other Public Limited Companies	
			Chairman	Member
Shri Sajjan Singh Mehta	Promoter & Non-Executive Director	Nil	Nil	Nil
Dr. S. S. Kothari	Non-Executive Director	Three	Nil	Nil
Shri V. M. Bhole	Nominee Director- IDBI	Nil	Nil	Nil
Smt. Purnima Mehta	Promoter & Executive Director	One	Nil	One
Shri Shiv Singh Mehta	Promoter & Executive Director	Two	One	Three
Shri Manoj Fadnis	Independent & Non-Executive Director	Five	Two	One
Shri Rakesh Kalra	Independent & Non-Executive Director	Two	Nil	Nil
Shri Somnath Ghosh	Independent & Non-Executive Director	Two	Nil	Two

Board Procedure

During the year under review, five meetings of the Board of Directors were held. The dates of the meetings were decided in advance and key information was placed before the Board. The Board of Directors meetings were held on 21st April, 2010; 19th May, 2010; 31st July, 2010; 12th November, 2010 and 29th January, 2011.

Attendance record of Directors

The record of attendance of the directors at Board Meetings held during the year and at the last Annual General Meeting were:

Name	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 27th September, 2010
Shri Sajjan Singh Mehta	5	5	Yes
Dr. S. S. Kothari	5	0	No
Shri Vinod Bhole	5	5	No
Smt. Purnima Mehta	5	5	Yes
Shri Shiv Singh Mehta	5	5	Yes
Shri Manoj Fadnis	5	4	Yes
Shri Rakesh Kalra	5	2	No
Dr. Somnath Ghosh	5	2	Yes

II. AUDIT COMMITTEE

(A) Terms of reference

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

(B) Constitution and Composition

The terms of reference of the audit committee are extensive and include all that is mandated in clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956. The Company has complied with the requirements of clause 49(II)(A) of the Listing Agreements as regards composition of the Audit Committee.

The Audit Committee of the Company as on 31st March, 2011 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri Manoj Fadnis	Chairman
Shri V. M. Bhole	Member
Shri Rakesh Kalra	Member

All the three members of the audit committee are non-executive directors and independent directors.



(c) Meeting and attendance during the year

Four meetings were held during the financial year 2010-11 on 19th May, 2010, 29th July, 2010, 12th November, 2010 and 29th January, 2011. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Manoj Fadnis	4
Shri V. Bhole	4
Shri Rakesh Kalra	1

III. SUBSIDIARY COMPANY

The Audit committee of the Company reviews the financial statements of the subsidiary company. The minutes of the Board meetings were placed before the Board of Directors of the Company for their review.

REMUNERATION OF DIRECTORS

(A) Terms of reference

The Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the directors to the Board for approval.

(B) Constitution and Composition

The Remuneration Committee of the Company as on 31st March, 2010 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri. Rakesh Kalra	Chairman
Shri. Manoj Fadnis	Member
Shri Somnath Ghosh	Member

All the three members of the remuneration committee are non-executive and independent directors.

Remuneration to Managing Director and Executive Director

The terms of remuneration of Shri Shiv Singh Mehta, Managing Director has already been fixed by the Board of directors and approved by the shareholders at Annual General Meeting. During the financial year 2010-11, the particulars of remuneration paid to Managing Directors are as under: -

(Rs. in Lacs)

Name of the Director	Salary (Rs. per Year)	Perquisites (Rs. per Year)	Commission	Period of Contract
Shri Shiv Singh Mehta	30	6	5%	3 years starting from 1st October, 2010

Remuneration of Non- Executive Directors.

The details of remuneration paid to the Non-Executive Directors during the financial year 2010-11 are given below. Non-Executive Directors are not entitled for any remuneration other than the sitting fees.

S No.	Name of the Non-Executive Director	Sitting Fees (Rs.)
1	Shri Sajjan Singh Mehta	5000
2	Dr. S.S. Kothari	1000
3	Shri V. Bhole	9000
4	Shri Manoj Fadnis	9000
5	Dr. Somnath Ghosh	2000
6	Shri Rakesh Kalra	3000

DISCLOSURES

A. Disclosure regarding materially significant related party transactions:

The Company has not entered into any transactions of material nature with the promoters or directors or their relatives or any Companies or firms in which they are directly or indirectly interested, that may have any potential conflict with the interests of the Company.

B. Disclosure of non-compliance by the Company:

There was no instance of non-compliance on any matter related to the capital markets, during the last three years.



COMMUNICATION TO SHAREHOLDERS

The Company publishes quarterly and yearly results as required under the Listing Agreement in the prescribed format. The results are also sent to the Stock Exchanges for general information and for posting the same on their web site. The notice of the AGM along with the report is sent to the shareholders well in advance of the AGM. The gist of the notice is also published in the newspapers. In addition, the Stock Exchanges are also notified of any important developments that may materially affect the working of the Company. Disclosures within regard to the shareholding pattern, change in major shareholding etc. is also periodically sent to the Stock Exchanges as required under the SEBI Take-over Regulations.

LISTING

The Company's shares are traded on BSE and MPSE.

Management Discussion and Analysis Report form part of the Annual Report.

INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors of the Company constituted the Investors' Grievance Committee consisting of:

Name of the Director	Designation
Shri Sajjan Singh Mehta	Chairman
Dr. Somnath Ghosh	Member
Shri Shiv Singh Mehta	Member

Except Shri Shiv Singh Mehta, other members are non-executive directors. The Committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report and dividend warrants etc. In addition, the committee also looks into matters, which can facilitate better investor services and relations.

INFORMATION ON GENERAL BODY MEETINGS

The details of the location and time for last three Annual General Meetings are given hereunder: -

Year	Location	Date	Time
2007-2008	Hotel Crown Palace, Indore - 452 001	29th September, 2008	4.00 P. M.
2008-2009	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	30th September, 2009	4.00 P. M.
2009-2010	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	27th September, 2010	4.00 P. M.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

The 21st Annual General Meeting of the Company will be held on Saturday, the 24th September, 2011 At 3.00 P.M. at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore-452001 (M.P.)

Financial Calendar for the year 2011-12 (Provisional)

a.	Results for the first quarter ending 30th June, 2011	By end of July, 2011
b.	Results for the second quarter ending 30th September, 2011	By end of October, 2011
c.	Results for the Third quarter ending 31st December, 2011	By end of January, 2012
d.	Results (Audited) for the fourth quarter ending 31st March, 2012	By end of May, 2012
e.	Annual General Meeting for the year ending March, 2012	By end of September, 2012

Book Closure Dates

The Company's Share Transfer Book will remain closed from 18th September, 2011 to 24th September, 2011 (both days inclusive) for purpose of Annual General Meeting.

Listing on Stock Exchanges

The Company's shares are presently listed on the Bombay Stock Exchange Limited, Mumbai (Maharashtra) and Madhya Pradesh Stock Exchange Limited, Indore (M.P.). The Company has paid annual listing fee for the year 2011-12.

Stock Code

BSE	:-	526423
NSDL & CDSL-ISIN	:-	INE 479D01038



Market Price Data (Rs.)

The monthly high and low quotations of shares of the Company traded at the Stock Exchange, Mumbai during the financial year 2010-11 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2010	11.6	8
May, 2010	9.4	7.12
June, 2010	8.8	7
July, 2010	9.25	7.1
August, 2010	8.9	7.3
September, 2010	8.24	6.62
October, 2010	16.9	7.89
November, 2010	14.4	9.11
December, 2010	11	7.24
January, 2011	11	6.64
February, 2011	8.87	6
March, 2011	7.08	5.95

Share Transfer System

The Share Transfer-cum-Investors Grievance Committee attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within an average period of 15 days from the date of receipt. The Company has appointed following agency as Share Transfer Agent (Electronic + Physical). The shareholders may address their communication, suggestions, grievances and queries to:

Ankit Consultancy Pvt. Limited

Plot No. 60, Electronic Complex

Pardeshipura, Indore- 452010 (M.P)

Tel.: 0731-3198601, 0731-3198602

0731-2551745, 0731-2551746

Fax: 0731-4065798

E-mail: ankit_4321@yahoo.com

Shareholding Pattern & Distribution of Shareholding

Shareholding Pattern as on 31st March, 2011

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's holding		
1. Promoters		
a. Indian Promoters	332617778	65.76
b. Foreign Promoters	-	-
2. Persons acting in concert	-	-
Sub-Total	32617778	65.76
B. Non-Promoter's holding		
3. Institutional Investors		
a. Financial Institution and Banks	1600	0.00
b. FIIs		
Sub-Total	1600	0.00
4. Others		
a. Corporate Bodies	972903	1.96
b. Indian Public	15899327	32.05
c. NRIs/OCBs	110775	0.22
d. Clearing Members	1137	0.00
Sub-Total	16984142	34.23
GRAND TOTAL	49603520	100.00



Distribution of Shareholding as on 31st March, 2011

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	4056	66.81
1001-2000	1085	17.87
2001-3000	278	4.58
3001-4000	334	5.50
4001-5000	47	0.77
5001-10000	138	2.27
10001 above	133	2.19
Total	6071	100

Dematerialisation of Shares & Liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai and Madhya Pradesh Stock Exchange, Indore. The Company's shares are available for trading in the depository of both NSDL & CDSL.

Details of Demat Shares as on 31st March, 2011

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2272	41399257	83.46
CDSL	1148	4724183	9.52
Sub-Total	3420	46123440	92.98
Shares in physical form	2651	3480080	7.85
Grand Total	6071	49603520	100

Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

Plant locations of the Company

Kriti Industries (India) Limited
Plot No. 75-86 & 13/1, Tarpura, 75-86
Pithampur, Dist. Dhar (M.P)

Address for communication

The shareholders may address their communication, suggestions, grievances and queries to:

Ankit Consultancy Pvt. Limited
Plot No. 60, Electronic Complex
Pardeshipura, Indore- 452010 (M.P)
Tel: 0731-3198601, 0731-3198602
0731-2551745, 0731-2551746
Fax 0731-4065798
E-mail: ankit_4321@yahoo.com

Auditors' Certificate on Corporate Governance

The company has obtained a certificate from the auditors of the company regarding compliances with the provisions of the corporate governance laid down in Clause 49 (VII) of the Listing Agreement with Stock Exchanges.



AUDITORS' REPORT ON COMPLAINT OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of Kriti Industries (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Kriti Industries (India) Limited, Indore for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accounts of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Investor / Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Subhash Deshpande & Co.
Chartered Accountants

Place : Indore
Date : 25th July, 2011

(R.D.Asawa)
Partner
M. No. 16562



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

The growth of Indian Plastic Pipe Industry is offering new opportunities in the irrigation and agriculture sector, water/sewer/gas transportation, OFC ducts in telecom sector and turnkey infrastructure projects.

India represents 3% of global plastic production. The per capita consumption of plastic in India is bound to grow and slowly catch up with world average. The rapid growth in construction, telecommunication and government efforts to increase the agriculture sector gives enormous scope of growth.

OPPORTUNITY

The positive trend in demand in this industry is expected to continue in the coming years, due to increased focus by the Government on agriculture, construction and infrastructure development projects. Kasta is a well-established brand and is preferred by the users and supported by a strong distribution network.

THREAT

The volatility of PVC/HDPE prices and cyclic nature of the Industry, coupled with tight availability of raw materials, particularly Resin are the major areas of concern. The product prices are highly dependent on Raw Material (RM) prices as the RM cost accounts for more than 70% of the total cost for PVC pipes.

BUSINESS STRATEGY

The Company is consolidating its existing markets through deep penetration in rural areas and multi product selling. The Company is also trying to become more cost effective and a very high quality producer.

It is working on widening the product range to reach out to a larger customer base in agriculture and building sector by launching Drip Irrigation Systems under Micro Irrigation Projects of various State Governments' subsidy scheme and introducing newer accessories for the piping system. There is also a greater focus on institutional sales in infrastructure, telecommunication and building construction sectors.

FINANCIAL PERFORMANCE

The financial statements are prepared in compliance with the Companies Act, 1956 and as per the generally accepted accounting principles, policies and practices prevalent in India. The Company's financial performance is discussed in details under the head "Financial Results" in Directors' Report to the Members.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an established a comprehensive internal controls commensurating with size and nature of its operations across all business units, which ensure that all the assets of the Company are duly recorded at fair value, and safeguarded against all the losses from any unauthorized use or disposition. The system has been designed, so as to provide reasonable assurance in respect of recording and providing relevant and reliable

DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company conducts in house training programs for motivating and developing leadership qualities at all levels. The Company has been successful this year in attracting and retaining some of the best talents in the industry.

CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis Report may be "forward-looking statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, and other statutes and incidental factors.



COMPLIANCE CERTIFICATE

CIN: L25206MP1990PLC005732

To,

The Members,

KRITI INDUSTRIES (INDIA) LIMITED

INDORE.

I have examined the registers, records, books and papers of KRITI INDUSTRIES (INDIA) LIMITED as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2011. In my opinion, and to the best of my information and according to the examinations carried out by me and explanations and certifications furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, as per due date of filing and the date of filing mentioned in the Annexure
3. The Company, being a Public Limited Company no comment is required on maximum number of members and invitation to public for subscription of shares and acceptance of deposits.
4. The Board of Directors duly met Five (5) times respectively on 21st April, 2010; 19th May, 2010; 31st July, 2010; 12th November, 2010; 29th January, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 21st September, 2010 to 27th September, 2010 and complied with the necessary compliance of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 27th September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act
9. The Company has not entered into any contract attracting with the provision of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. Ms Devki Mehta, Daughter of Managing Director and Executive Director was re-appointed on the office of Manager (Special Projects) of the company with effect from 1st October, 2010 after due approval from Board of Directors in their meeting dated 31st July, 2010. The same was approved by Members in the Annual General Meeting dated 27th September, 2010.
12. The Company has issued the duplicate certificates during the financial year under consideration.
13. The Company:
 - a. has delivered all the Share Certificates on lodgement thereof for transfer/transmission of securities in accordance with the provisions of the Act. However there was no allotment during the under scrutiny.
 - b. has deposited Rs. 7440528 in a separate bank account as dividend was declared during the financial year.
 - c. Has posted warrants for dividends to the members as dividend was declared during the financial year.
 - d. was not required to transfer amount in Investor Education and Protection Fund.
 - e. Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors has been duly made.
15. The Company has re-appointed Mr. Shiv Singh Mehta as Managing Director w.e.f. 1st October, 2010 for the period of 3 years after due approval from Board of Directors in their meeting dated 31st July, 2010. The same was approved by Members in the Annual General Meeting dated 27th September, 2010.



16. The Company has not appointed any sole selling agents during the financial year.
17. The Company made an application to the Central Government for approval under Section 314(1B) in respect of appointment of Ms. Devki Mehta as specified in point number 11. However, the approval so sought was granted by the Government exceeding Rs. 50000 with certain conditions through a letter dated 31st January, 2011 and 03rd March, 2011.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any share, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued Preference Shares and Debentures so there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. On the basis of information and explanation given to me the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Financial Institutions, Banks and others during the financial year ending is within the borrowing limits of the company.
25. The Company has made loans, advances, given guarantees and provided securities to other bodies corporate, and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There were no prosecution initialed against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any moneys as security from its employees during the financial year.
33. The Company has deposited both employees and employers contribution to Provident Fund with prescribed authorities pursuant to the provisions of Section 418 of the Companies Act, 1956.

ASHISH KARODIA
Company Secretary
C.P. No. 6375

Place: Indore

Date: 21st May, 2011



SECRETARIAL COMPLIANCE CERTIFICATE - ANNEXURE - "A"

Registers as maintained by the Company:

S. No.	Section No.	Name of the Register
1.	209	Books of Accounts
2.	150	Register of Members
3.	303	Register of Directors
4.	307	Register of Director's Shareholding
5.	143(1)	Register of Charges
6.	108	Register of share transfer

SECRETARIAL COMPLIANCE CERTIFICATE - ANNEXURE - "B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2011.

S. No.	Form No./ Return	Date of Filing	Receipt No.	Whether filed within prescribed time	Whether additional fees paid (if delay in filing)
1.	Annual Return as on 30.09.2010	22.11.10	P60545860	Yes	N.A.
2.	Annual Accounts for 31.03.2009	18.10.10	P54919584	Yes	N.A.
3.	Secretarial Compliance Certificate	15.10.10	P54951518	Yes	N.A.
4.	Form 23B	23.10.10	S03556453	N.A.	N.A.
5.	Form 23	18.10.10	A96206354	Yes	N.A.
6.	Form 25 C	27.10.10	A96838263	Yes	N.A.
7.	Form 23	30.08.10
8.	Form 8	24.05.10	A85700227	No	Yes
9.	Form 8	27.10.10	A96839162	Yes	N.A.
10.	Form 8	03.11.10	A97382709	Yes	N.A.
11.	Form 8	14.12.10	B00591594	No	Yes
12.	Form 8	01.01.11	B02052835	Yes	N.A.
13.	Form 8	13.01.11	B02984367	Yes	N.A.
14.	Form 8	21.04.11	B10485340	No	Yes
15.	Form 8	21.04.11	B11728185	Yes	N.A.
16.	Form 8	22.04.11	B10555712	No	Yes
17.	Form 8	28.04.11	B11068251	Yes	N.A.
18.	Form 8	07.05.11	B11728185	No	Yes
19.	Form 8	07.05.11	B11728631	No	Yes
20.	Form 8	06.05.11	B11647468	No	Yes
21.	Form 8	03.05.11	B11444999	No	Yes
22.	Form 24B	24.11.10	A98902097	Yes	N.A.

Note: S. no 13 to 20 contains the documents which has been executed during the financial year 2010-2011 but the same was filled after the financial year but before Signing this certificate.

ASHISH KARODIA
Company Secretary
C.P. No. 6375

Place: Indore
Date: 21st May, 2011



AUDITOR'S REPORT

To,
The Member of
Kriti Industries (India) Limited

- 1) We have audited the attached Balance Sheet of Kriti Industries (India) Limited as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) Further to our comments in Annexure referred to above, we report that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii) in the case of Profit and Loss Account, of the profit for the year ended on that date, and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date
4. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and according to information & explanation given to us on our enquiries and in consideration of the scheme of arrangement as per note No 17 to the notes on accounts and on the basis of such checks we considered appropriate, we further state that:
 - (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.



- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
- (ii) (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) Company has granted unsecured loans to 2 company, covered in the register maintained U/S 301 of the Act. outstanding of loan given at the year end Rs. 50 lacs and maximum outstanding during the year Rs. 1779.40 lacs.
- (b) Rate of interest and other terms and conditions of loan given are not prima-facie not prejudicial to the interest of company.
- (c) In our opinion receipt of principal and interest is regular as stipulated
- (d) In our opinion there is no overdue of interest or principal.
- (e) Company has taken unsecured loan from a company covered in the register maintained u/s 301 of the Act, amount involved Nil, maximum Outstanding during the year Rs. 496.96 lacs
- (f) Rate of interest and other terms and conditions of loan taken are not prima-facie prejudicial to the interest of the company.
- (g) Payment of principal and interest is regular as stipulated
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services further, the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under that Section, have been so entered.
- (b) According to the information and explanations given to us, there are transaction for purchase of DEPB Licenses etc, in excess of Rs.5 lacs in respect of each party. There is no similar transaction available for comparison and therefore reasonableness of price/value of transaction could not be ascertained. However there are no other transaction for sale/purchase of services etc.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under and therefore clause is not applicable to the company.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii) The Company is not required to maintain cost records in terms of Sec 209(1) (d) of the Companies Act, 1956.
- ix) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year.



(b) According to the records of the Company, the disputed dues in respect of Sales Tax, Entry Tax and Income Tax are as under:

S.no.	Nature of dues	Related Period	Amount (Rs.)	Forum where dispute is pending
1	Central Sales Tax	2004-05	1836995	Appellate Board
2	Central Sales Tax	2005-06	7238189	Deputy commissioner
3	Central Sales Tax	2006-07	1335795	Deputy commissioner
4	VAT Tax	2007-08	4934024	Deputy commissioner
5	Entry Tax	2007-08	1808843	Appellate Board
6	Central Excise Duty	2007-08	947051	Deputy commissioner
7	Entry tax	2007-08	532118	Deputy commissioner

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) Company has not given any guarantees for loans taken by others from banks or institutions, and therefore commenting over terms and conditions does not arise.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima-facie, not been used during the year for long term investment (fixed assets, etc).
- (xviii) The Company has not made preferential allotment of shares to the parties and companies covered under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year, and therefore question of end use does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or detected during the year.

For SUBHASH DESHPANDE & CO.
CHARTERED ACCOUNTANTS
F.R.N. 000476C

PLACE : INDORE
DATED: 21st May, 2011

(R.D. ASAWA)
PARTNER
M.No. 16562



BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.11	As at 31.03.10
I. SOURCES OF FUNDS			
1. Share Holders Fund			
(a) Share Capital	A	49603520	49603520
(b) Reserves & Surplus	B	312345381	271395460
2. LOAN FUNDS			
(a) Secured Loans	C	316512193	308515213
(b) Unsecured loan	C-1	5000000	36679858
3. DEFFERED TAX LIABILITY		47196724	45442088
	Total	<u>730657818</u>	<u>711636139</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	D		
(a) Gross Block		573364062	492421576
(b) Less: Depreciation		<u>238475898</u>	<u>210761945</u>
(c) Net Block		334888164	281659631
(d) Add: Capital Work in Progress		<u>8624221</u>	<u>1236135</u>
		343512385	282895766
2. INVESTMENT (AT COST)	E	77714600	77904600
3. CURRENT ASSETS, LOANS & ADVANCES	F		
(a) Inventories		739954048	630283791
(b) Sundry Debtors		220203333	142454455
(c) Cash & Bank Balances		52810285	88973007
(d) Loans & Advances		<u>170435130</u>	<u>149439502</u>
		1183402796	1011150755
LESS: CURRENT LIABILITIES & PROVISIONS	G		
(a) Current Liabilities		842524395	630609936
(b) Provisions		<u>31447568</u>	<u>29705046</u>
		873971963	660314982
NET CURRENT ASSETS (F-G)		309430833	350835773
	Total	<u>730657818</u>	<u>711636139</u>
Accounting policies & Notes on Accounts	P		

As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)

Place: Indore
Date:- 21st May, 2011



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.11	As at 31.03.10
INCOME			
Income from Operations (Gross)		2757861640	4154976876
Less : Excise Duty		<u>229601005</u>	<u>169743516</u>
Income from Operations (Net)	H	2528260635	3985233360
Miscellaneous Income	I	20416134	13941780
Increase/ (Decrease) in Stock	J	(15033845)	70299650
	Total	<u>2533642924</u>	<u>4069474790</u>
EXPENDITURE			
Cost of Material	K	2008890315	3292607101
Manufacturing Expenses	L	140187517	199138497
Employees Remuneration & Benefits	M	91393119	102210615
Administrative & Selling Expenses	N	98236241	172112683
Financial Charges	O	93069658	136147685
	Total	<u>2431776850</u>	<u>3902216581</u>
Profit/ (Loss) before Depreciation		101866074	167258209
Less : Depreciation for the year	D	<u>27713950</u>	<u>44083135</u>
Profit/ (Loss) before Tax		74152124	123175074
Less : Provision for Taxation		22800000	21000000
Less: Deferred Tax		<u>1754635</u>	<u>11082003</u>
Net Profit after Tax		49597489	91093071
Add : Previous Year Profit B/F		<u>69508460</u>	<u>68892216</u>
Profit available for appropriation	Total	<u>119105949</u>	<u>159985287</u>
Proposed Dividend		7440528	7440528
Corporate Dividend Tax		1207040	1264518
Transferred to General Reserve		40000000	78271781
Transferred to Contingency Reserve		2500000	3500000
Balance carried over to Balance Sheet		67958381	69508460
	Total	<u>119105949</u>	<u>159985287</u>
Earning per share (Face value of Rs.1 each)		1.00	1.84
Accounting policies & Notes on Accounts	P		

As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)

Place: Indore
Date:- 21st May, 2011



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED		
(100000000 Equity Share Capital of Rs 1/- each Pevour Year 100000000 of Rs 1 each)	100000000	100000000
ISSUED, SUBSCRIBED AND PAID UP	49603520	49603520
(49603520 Equity Shares of Rs 1/- each fully paid up allotted on 27.01.2010 in lieu of existing 62004400 equity shares of Rs.1/- each pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of M.P.) (Previous year 49603520 equity shares of Rs 1/- each fully paid up)		
Total	<u>49603520</u>	<u>49603520</u>
SCHEDULE-B		
RESERVES & SURPLUS		
General Reserve	150000000	123479231
Add: Transfer from oil division	0	6520769
Less : Appropriation on account of demerger scheme	0	58271781
Add: Transfer from P&L	40000000	78271781
Closing Balance	<u>190000000</u>	<u>150000000</u>
Share Premium Account (Excluding Calls in Arrears)	46614000	46614000
Share forfeiture Account	273000	273000
Contingency Reserve	5000000	1500000
Add: Transfer from P&L	2500000	3500000
	<u>7500000</u>	<u>5000000</u>
Profit & Loss Account (As per Annexed account)	67958381	69508460
Total	<u>312345381</u>	<u>271395460</u>
SCHEDULE-C		
SECURED LOAN		
A. LONG TERM LOAN FROM BANKS	136364098	138575214
(Secured by First Charge/Mortgage on Fixed Assets of the Company and Personal Guarantee of Directors)		
Total (A)	<u>136364098</u>	<u>138575214</u>
B. WORKING CAPITAL LOAN FROM BANKS		
(Secured by Hhypotheation of Finished Goods, Raw Material, Stock in process, Store and Spares, Sundry Debtors, Export Bills, Receivables and Second Charge on Fixed Assets of the Company and Personal Gurantee of Director and his relative		
	180148095	169939999
Total(B)	<u>180148095</u>	<u>169939999</u>
Total(A+B)	<u>316512193</u>	<u>308515213</u>
SCHEDULE-C-1		
UNSECURED LOAN	5000000	36679858
(Inter Corporate Deposits)		
Total	<u>5000000</u>	<u>36679858</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

SCHEDULE-D

FIXED ASSETS

SN.	PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
		01.04.10	Addition	Deduction	Transfer on demerger	TOTAL	01.04.10	For Year	Deduction	Transfer on demerger	TOTAL	31.03.11	31.03.11
1.	Land	11688189	0	0	0	11688189	0	0	0	0	0	11688189	11688188
2.	Goodwill	0	0	0	0	0	0	0	0	0	0	0	0
3.	Factory Building	79156748	4580225	0	0	83736972	21425260	2643835	0	0	24069095	59667877	57731488
4.	Plant & Machinery	298184695	66937286	0	0	365121981	119386347	16693181	0	0	136079528	229042453	178798348
5.	Dies & Moulds	74194715	8528338	0	0	82723053	54857841	5430295	0	0	60288136	22434917	19336874
6.	Vehicles	3117524	474715	0	0	3592239	1790807	266895	0	0	2057702	1534537	1326717
7.	Furniture & Fixture	7535057	121947	0	0	7657005	3014695	460903	0	0	3475598	4181407	4520362
8.	Computer	18544648	299974	0	0	18844622	10286995	2218840	0	0	12505835	6338787	8257653
	TOTAL RS.	492421576	80942485	0	0	573364062	210761945	27713950	0	0	238475898	334888164	281659631
	Previous Balance	913621883	128317421	5475408	544042317	492421576	345038433	44083135	4190064	174169559	210761945	281659631	

PARTICULARS	As at 31.03.11	As at 31.03.10
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SCHEDULE - E

INVESTMENTS (AT COST)

(Unquoted)

National saving certificates	14100	4100
Sahkari Audhyogik Vasahat Ltd. (1 Share of Rs.500/-)	500	500

Kriti Auto & Engineering Plastic Private Ltd. (100% Subsidiary) (3885000 Shares of Rs.10/- each)	77700000	77700000
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(Quoted)

S.B.I.Mutual Fund (200 Bonds of Rs.1000 each)	0	200000
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Total	<u>77714600</u>	<u>77904600</u>
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SCEDULE-F

A. CURRENT ASSETS

1. INVENTORIES

a) Raw Materials	372639023	261313833
b) Finished Goods	313660778	328694624
c) Stores, Spares & Others	53654247	40275334
Total	<u>739954048</u>	<u>630283791</u>

2. SUNDRY DEBTORS

(Unsecured Considered Good) Over Six month	27359757	24760128
Others	192843576	117694327
Total	<u>220203333</u>	<u>142454455</u>

3. CASH AND BANK BALANCES

Cash on hand	632588	404343
Balance with Scheduled Bank		
- On Current Account	78249	348804
- On Deposits Account	52099448	88219860
Total	<u>52810285</u>	<u>88973007</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
B. LOAN AND ADVANCES		
(Unsecured, Considered Good)		
a) Advances recoverable in cash or kind or for value to be received	56117525	48196254
b) Sundry Deposits	9052744	15708869
c) Advance Tax/Tax Deducted at Source	28809021	29562657
d) CENVAT	76416432	55971722
e) Accrued Interest/Income	39408	0
Total	<u>170435130</u>	<u>149439502</u>

SCHEDULE-G

(A) CURRENT LIABILITIES

1. Sundry Creditors	778077805	560710330
2. Outstanding Expenses	28082435	21944115
3. Statutory Liabilities	25762946	39448037
4. Dealership Deposit	10601209	8507454
Total	<u>842524395</u>	<u>630609936</u>

(B) PROVISIONS

Provision of Income Tax	22800000	21000000
Corporate Dividend Tax	1207040	1264518
Proposed dividend	7440528	7440528
Total	<u>31447568</u>	<u>29705046</u>
Total	<u>873971963</u>	<u>660314982</u>

SCHEDULE-H

Gross domestic Sales	2757861640	3559803561
Less : Excise Duty	<u>229601005</u>	<u>169743516</u>
Net Sales	2528260635	3390060045
Export Sales	0	589405188
Job Work Receipts	0	5768127
Total	<u>2528260635</u>	<u>3985233360</u>

SCHEDULE- I

MISCELLANEOUS INCOME

Other Operating Income		
Insurance Claim	0	40141
Sundry Balance Written Back	0	80242
Foreign Exchange Fluctuation A/c	4474117	4432184
Sub Total (a)	<u>4474117</u>	<u>4552567</u>
Other Income		
Interest Received/Receivable	14445850	9065016
Miscellaneous Income	1487527	324197
Dividend	8640	
Sub Total (b)	<u>15942017</u>	<u>9389213</u>
Total (a+b)	<u>20416134</u>	<u>13941780</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
SCHEDULE-J		
INCREASE / (DECREASE) IN STOCKS		
(Finished Goods and Stock in Process)		
Closing Stock	313660778	328694623
Add: Transfer on account of demerger		
Kriti Nutrients Limited	0	61690485
Kriti Auto Engineering and Plastic Private Ltd.	<u>0</u>	<u>4460379</u>
Less : Opening Stock	328694623	324545837
Net Increase/(Decrease) in Stock	(15033845)	70299650
Total	<u>(15033845)</u>	<u>70299650</u>
SCHEDULE-K		
COST OF MATERIAL		
Opening Stock of Raw Material	261313833	162016443
Add:Purchases	<u>2042362379</u>	<u>3435457563</u>
	2303676212	3597474006
Less: Closing Stock	372639023	261313833
Add: Transfer on account of demerger		
Kriti Nutrients Limited	0	184380735
Kriti Auto Engineering and Plastic Private Ltd.	<u>0</u>	<u>5187104</u>
	<u>372639023</u>	<u>450881672</u>
Consumption	1931037189	3146592334
Add:Finished Goods Consumed	59179296	40335997
Add:Packing Material Consumed	18673830	105678770
Total	<u>2008890315</u>	<u>3292607101</u>
SCHEDULE-L		
DIRECT MANUFACTURING EXPENSES		
Stores and Spares Consumed	17114600	24637712
Coal Consumed	0	25639686
Power Charges	59797520	72264696
Job Work Charges	0	1294936
Freight & Cartage	17387079	22739727
Repairs & Maintenance	1503028	4663464
Insurance Charges	1041184	2555369
Water Charges	3188753	4665298
Miscellaneous Manufacturing Expenses	40155353	40677609
Total	<u>140187517</u>	<u>199138497</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
SCHEDULE-M		
EMPLOYEES REMUNERATION & BENEFITS		
Salaries and Wages	70870759	82576577
Provident Fund & ESI	4719180	5829683
Bonus	2559914	3531584
Employees Benefits	12700762	9059971
Gratuity	542504	1212800
Total	<u>91393119</u>	<u>102210615</u>
SCHEDULE-N		
OTHER EXPENSES		
Stationery & Printing	234140	952970
Computer expenses	364670	1098928
Rent, Rates and Taxes	3648870	5746087
Postage, Telegram and Telephones	1327781	2217774
Auditor's Fees	125000	125000
Conveyance Expenses	2119648	3623883
Legal & Professional Charges	6035327	7911518
Miscellaneous Expenses	2898412	2875935
Director's Remuneration	4797043	5167904
P.F on Director Remuneration	379400	374400
Director's Sitting Fee	29000	37000
Advertisement & Publicity	3716215	3280814
Sales Promotion Expenses	2201251	10140869
Brokerage & Commission	25145944	15724692
Freight Outward	31342759	70043464
Sales Tax & Octroi	592913	1348993
Export Expenses	0	17262108
Sundry Balances Written off	745543	736610
Travelling Expenses	11916797	11256478
Bad Debts	615528	12187256
Total	<u>98236241</u>	<u>172112683</u>
SCHEDULE-O		
FINANCIAL CHARGES		
Interest on Term Loans	17522204	42000301
Interest to Banks	46036630	61024538
Interest to Others	5931341	3472540
Bank Charges/Commission	23579483	29650306
Total	<u>93069658</u>	<u>136147685</u>



SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (31.03.2011)

1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), The Companies Accounting Standard Rules, 2006 and relevant provisions of Companies Act, 1956 ("the Act") to the extent applicable.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed assets and depreciation

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies and any directly, attributable cost of bringing the asset to the working condition for its intended use.

Depreciation is provided on the straight-line method ('SLM') as per the depreciation rates prescribed in Schedule XIV of the Act. Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

1.4 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the 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 recognized in the profit & loss account. If at the balance sheet 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 subject to a maximum of depreciable historical cost.

1.5 Investments

Investments classified as long term investment are carried at cost. Provision for diminution, if any, is made to recognize a decline other than temporary, in the value of the investment.

1.6 Inventories

1. Stores and Spares parts, etc: At Cost, with moving average price on FIFO basis
2. Raw materials: At cost, (net of excise duty) with moving average price on FIFO basis.
3. Finished Goods: At estimated cost or net realizable value (whichever is lower)
4. By Products: At net realizable value.

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.7 Revenue recognition

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Value Added Tax.
- (b) Dividend income is recognized when the right to receive the dividend is established
- (c) Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

1.8 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. Benefits such as salaries, wages and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

(b) Post-Employment Benefits



(i) Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.

(ii) Defined Benefit Plans: The Company has taken Group Gratuity and Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation as advised by LIC, using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

1.9 Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account.

Realized gain or loss on cancellation of forward exchange contract is recognized in the Profit and Loss Account for the year.

1.10 Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006.

1.11 Taxation

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.12 Earning Per Share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

1.13 Provisions for contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized in the financial statements.

2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

3. Contingent liabilities

3.1 Estimated amount of contracts remaining to be executed on Capital Account Rs. 292.37 lacs net of advance given (Previous Year Rs. 23.30 lacs)

3.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs. 169.85 lacs (Previous Year Rs. 64.58 lacs.)

4. Installments of term loans from financial institutions falling due within one year are Rs 494 lacs (Previous Year Rs. 414.60 lacs).



5. Company's Income tax assessments have been completed up to Assessment year 2008-2009. In the opinion of Board of Director's provision made for Income Tax is adequate.

6. Computation of Net Profit under Section 198 (1)/349 of the Companies Act-1956.

	(Rs. in Lacs)
Net Profit before Tax as per Profit & Loss A/c	741.52
Add: Director Sitting Fees	0.29
Add: Director's Remuneration	47.97
Net Profit for the calculation of Commission	<u>789.78</u>
Commission restricted within overall ceiling of 5%	6.00

7. Remuneration Paid/Payable to Managing Director / Director

Paid / Payable (Rs. In Lacs)	Current Year	Previous year
Remuneration	41.97	42.92
Commission	6.00	12.50

8. Unpaid overdue amount due on March 31, 2011 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to Rs. Nil.

This disclosure is on the basis of the information available with the company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

9. The amount of Foreign Exchange gain included in the profit & loss account is Rs. 44.74 lacs (Previous Year gain Rs. 44.32 lacs). Above amount is included in other income.

10. The disclosure required as per Accounting Standard (AS) 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 and based on the report generated by Life Insurance Corporation of India (LIC) is as under

- (a) The company has taken Group Gratuity and Cash Accumulation Policy issued by the LIC, which is a defined benefit plan.

	31/03/2011 (Rs.)	31/03/2010 (Rs.)
Present value of obligations as at beginning of the year	2442407	2048497
Interest Cost	195393	163880
Current Service Cost	721165	645499
Benefit Paid	(201130)	(272993)
Actuarial (gain)/loss on obligations	(63883)	(142476)
Present value of obligations as at end of the year	3093952	2442407

	31/03/2011	31/03/2010
Present value of obligations as at beginning of the year	3409478	2802129
Expected return on plan assets	310171	245906
Contribution	652098	634436
Benefit Paid	(201130)	(272993)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	4170617	3409478

	31/03/2011	31/03/2010
Fair value of plan assets at beginning of the year	3409478	2802129
Actual return on plan assets	310171	245906
Contribution	652098	634436
Benefit Paid	(201130)	(272993)
Fair value of the plan assets at the end of the year	4170617	3409478
Funded status	1076665	967071
Excess of actual over estimated return on plan assets	NIL	NIL

(Actual Rate of return= estimated rate of return as ARD falls on 31/03/2011)



(e) Actuarial Gain/Loss recognized as on	31/03/2011	31/03/2010
Actuarial (Gain)/Loss for the year-obligation	63883	142476
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Total (Gain)/Loss for the year	(63883)	(142476)
Actuarial (Gain)/Loss recognized for the year	(63883)	(142476)
(f) Expenses recognized in statement of profit and loss	31/03/2011	31/03/2010
Current Service Cost	721165	645499
Interest cost	195393	163880
Expected return on Plan Asset	(310171)	(245906)
Net Actuarial (Gain)/Loss recognized in the year	(63883)	(142476)
Expenses recognized in the statement of profit & loss	542504	420997
(g) Assumption		
Discount rate	8%	8%
Salary Escalation	7%	7%

11. The amount of borrowing cost capitalized during the year Rs. 10.92 lacs (Previous Year Nil).

12. EARNING PER SHARE

The Company's share capital consists of equity share. The basic and diluted earning per share is calculated as under:

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in lacs)	495.97	910.93
3.	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)	NIL	NIL
4.	Basic Earning Per Share	1.00	1.84
5.	Diluted Earning Per Share	1.00	1.84
6.	Nominal Value Per Share	1.00	1.00

13. In accordance with the Accounting Standard (AS) 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the names of the related parties and the relevant disclosure is as under:-

(a) Name of the related party and description of relationship:

- i. Key Management Personnel:
 - Shri Shiv Singh Mehta, Managing Director
 - Smt. Purnima Mehta, Executive Director
- ii. Relatives of Key Managerial Personnel
 - Shri Sajjan Singh Mehta (Father of Managing Director)
 - Miss Devki Mehta (Daughter of Managing Director/ Executive Director)
- iii. Subsidiary Company
 - Kriti Auto & Engineering Plastic Pvt. Ltd (Wholly owned Subsidiary Company)
- iv. Companies/entities under the control of Key Management personnel
 - 1) Chetak Builders Pvt. Ltd.
 - 2) Kriti Corporate Services Pvt. Ltd.
 - 3) Shipra pipes Pvt. Ltd.
 - 4) Sakam Trading pvt. Ltd.
 - 5) Kriti Nutrients Ltd.



The following transaction were carried out with the related parties in the ordinary course of business

(Rs. In lacs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	DEPB License purchased	NIL (NIL)	NIL (NIL)	NIL (NIL)	369.17 (58.54)
2.	Remuneration	NIL (NIL)	47.97 (55.42)	5.40 (8.77)	NIL (NIL)
3.	Rent	NIL (NIL)	NIL (NIL)	2.11 (2.11)	NIL (NIL)
4.	Investments	777.00 (777.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5.	Unsecured Loan Given	NIL (1.25)	NIL (NIL)	NIL (NIL)	1729.40 (NIL)
	Taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	496.69 (368.04)
6.	Interest	NIL (0.20)	NIL (NIL)	NIL (NIL)	56.50 (20.60)

*The figures mentioned in the brackets are previous year figures.

14. In accordance with the Accounting Standard (AS) 22 "Accounting for Taxation" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the details of Deferred Tax items are as under:

2010-11 2009-10

Deferred Tax Liability

On Account of Tax effect on timing difference

arising due to difference in Depreciation

17.54 lacs 110.82 lacs

15. Additional information as required under Part II of Schedule VI to the Companies Act, 1956 is as under

PARTICULAR		31/03/2011		31/03/2010	
		Qty M.T	Value Rs. In lacs	Qty M.T	Value Rs. In lacs
1. CAPACITY					
A. INSTALLED CAPACITY P.A. (As certified by the Management)					
SOLVENT		0		36000	
REFINERY		0		42000	
PVC/HDPE PIPES/DUCT		63600		63600	
PVC FITTINGS		1800		1800	
ENGINEERING PLASTIC PRODUCTS		0		3600	
B. PRODUCTION					
SOYA MEAL		0		23674	
SOYA CRUDE OIL		0		5588*	
REFINED		0		20627	
PVC/HDPE PIPES/DUCT		33404**		30592	
PVC FITTINGS		1623		1753***	
ENGINEERING PLASTIC PRODUCTS		0		0	
* Previous Year Includes 5587.75 M.T., issued for captive consumption (SOYA OIL)					
** Including job work receipt 60 M.T. (Previous Year 26 M.T.)					
*** Previous Year Including job work receipt 54 M.T.					
2. TURNOVER					
PRODUCT					
SOYA MEAL		0	0	25613	6651.64
REFINED OIL		0	0	20432	10803.60
PVC/HDPE PIPES/DUCT		34089	23274.63	305597	18526.29
PVC FITTINGS		1620	1713.33	1853	1818.73



ENGINEERING PLASTIC PRODUCTS	0	0	0	1072.72*
OTHERS		294.65		980.35**
		<u>25282.61</u>		<u>39852.33</u>
* Previous Year Including job work receipt Rs. 57.68 lacs				
** Previous Year Includes sales of seed sold 525.25 M.T., Rs. 107.91 lacs				
3. OPENING STOCK *				
SOYA MEAL	0	0	3162	722.05
SOYA CRUDE OIL	0	0	42	16.89
REFINED OIL	0	0	336	163.78
PVC/HDPE PIPES/DUCT	3781	2744.38	3760	1612.80
PVC FITTINGS	208	201.07	362	328.90
ENGINEERING PLASTIC PRODUCTS	0	0	0	27.52
OTHERS		341.50		373.51
		<u>3286.95</u>		<u>3245.45</u>
OTHERS		32.34		0.00
* Transfer from demerger		<u>605.37</u>		<u>0</u>
4. CLOSING STOCK OF FINISHED GOODS				
PVC/HDPE PIPES/DUCT	3095	2334.56	3781	2744.38
PVC FITTINGS	211	209.58	208	201.07
OTHERS		592.46		341.50
		<u>3136.60</u>		<u>3286.95</u>
5. RAW MATERIAL CONSUMED				
SOYA BEAN SEEDS	0	0	32510	7621.13
SOYA CRUDE OIL PURCHASE	0	0	16005	6666.53
PLASTIC POLYMERS	31008*	17706.40	28288	14594.57
OTHER		1603.97		2583.69
	<u>31008</u>	<u>19301.37</u>	<u>28288</u>	<u>31465.92</u>
* It includes raw material issued for job work 26.160 M.T.				
6. VALUE OF IMPORTED MATERIAL CONSUMED AND PERCENTAGE TO THE TOTAL CONSUMPTION	Value	%	Value	%
I IMPORTED	5210.94	26.99	11712.04	37.22
II INDIGENOUS	14099.43	73.01	19753.88	62.78
	<u>19310.37</u>	<u>100</u>	<u>31465.92</u>	<u>100</u>
7. CIF VALUE OF IMPORT				
RAW MATERIAL	5210.94		11712.04	
CAPITAL GOODS	309.00			
	<u>5519.94</u>		<u>11712.04</u>	
8. EARNING IN FOREIGN CURRENCY FOB/FOR BASIS(EXPORT OF GOODS)	0		5563.65	
9. EXPENDITURE IN FOREIGN CURRENCY				
INTEREST	68.23		21.36	
OTHERS	0.18		5.50	

16. Previous figures have been reclassified/regrouped wherever necessary, however same are not Comparable as figures for previous year includes results of solvent and moulding division for 9 months which were separated on 01.01.2010 due to demerger.

Accounting policies & Notes on Accounts
As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)

Place: Indore
Date:- 21st May, 2011



CASH FLOW STATEMENT
FOR THE YEAR ENDED FROM APRIL, 2010 TO MARCH, 2011

		Rs.in Lacs	
Particular	31.03.2011	31.03.2010	
A. Cash Flow from operating activity			
Net Profit Before Tax & Extraordinary Items	741.52	1231.75	
Adjustments for:			
Depreciation	277.14	440.83	
Loss/(profit) on Sale of Fixed Asset	0.00	12.73	
Dividend Income	0.00	0.00	
Miscellaneous Income	(204.16)	(139.42)	
Financial Charges	930.70	1361.48	
Prior Period Income/(Expenses)	0.00	0.00	
Operating Profit Before Working Capital Changes	<u>1745.20</u>	<u>2907.37</u>	
Adjustment for Working Capital Changes			
Trade & Other Receivables	(792.96)	1413.45	
Inventories	(1096.70)	(917.65)	
Inter Corporate Deposit	(50.00)		
Trade Payables	<u>1872.09</u>	<u>(18.95)</u>	
Cash Generated from Operation	1677.63	3384.22	
Taxes paid	(194.48)	(205.09)	
Net Cash from Operating Activities (A)	1483.14	3179.14	
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets/ Capital	(883.31)	(234.18)	
Sale of Fixed Assets	0.00	0.00	
Sale/(Purchase) of Investments	1.90	3382.67	
Miscellaneous Income	204.16	(769.62)	
Dividend Income	(0.00)	139.42	
Net Cash used for Investing Activities (B)	(677.25)	2518.28	
C. Net Cash from Financing Activities			
Proceeds from Issue of Shares/Effect of Demerger	0.00	(1647.97)	
Proceeds /(Repayment) from Long Term Borrowings	(22.11)	(2508.09)	
Bank Borrowings	102.08	(289.14)	
Financial Charges	(930.70)	(1361.48)	
Effect of Exchange Rate Change	0.00		
Unsecured loan	(316.80)	366.80	
Dividend paid	0.00		
Net Cash used for Financing Activities (C)	(1167.53)	(5439.88)	
Net Decrease in Cash & Cash Equivalents (A) +(B)+(C)	(361.63)	257.54	
Opening Balance of Cash & Cash Equivalents	889.73	632.19	
Closing Balance of Cash & Cash Equivalents	528.10	889.75	

Last year figures has been regrouped and reclassified wherever applicable

As per our report of even date attached.

For and on behalf of the Board of Directors

For Subhash Deshpande & Co.

Chartered Accountants

R.D.Asawa
(Partner)

M.No. 16562

Place: Indore

Date:- 21st May, 2011

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)



Information required as per part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details

Registration No.	L25206MP1990PLC005732	State Code 10
Balance Sheet Date	31.03.2011	

2 Capital Raised During the year (Amount in Rs.)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

3 Position of Mobilisation and Deployment of Funds (Amount in Rs.)

	Total Liabilities	Total Assets
	730657818	730657818
Sources of Fund	Paid-up Capital	Total Reserves
	49603520	312345381
	Secured Loan	Deferred Tax Liabilities
	316512193	47196724
Application of Funds	Net Fixed Assets	Investments
	334888164	77714600
	Net Current Assets	Misc. Expenditure
	309430833	Nil
	Capital Work in Progress	
	8624221	

4 Performance of Company (Amount in Rs.)

Turnover	Total Expenditure
2757861640	2431776850
Profit/Loss Before Tax	Profit/Loss After Tax
74152124	49597489
Earning Per Share in Rs.	Dividend Rate %
1	15

5 Generic Names of Three Capital Products/Services of Company. (As per monetary terms)

Item Code No.	3917
(ITC Code)	PVC Pipes & Fittings



Auditor's report to the Board of Directors of Kriti Industries (India) Ltd, on the Consolidated Financial Statement of Kriti Industries (India) Ltd and its subsidiary

- 1) We have audited the attached consolidated Balance Sheet of Kriti Industries (India) Limited (the company) and Kriti Auto & Engineering Plastics Pvt. Ltd. (its subsidiary) as at 31st March, 2011 and the consolidated Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statement are the responsibility of Kriti Industries (India) Limited's management. Our responsibility is to express an opinion on these consolidated financial statement based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We have audited the financial statement of Kriti Auto & Engineering Plastics Pvt. Ltd, a subsidiary whose financial statement reflects total assets of Rs.112369768/- as at 31st March, 2011 and total revenues of Rs.245090160/- for the year ended on that date.
- 4) We report that the consolidated financial statement have been prepared by the Company in accordance with the requirements of accounting standard 21, Consolidated Financial statement, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statement of Kriti Industries (India) Ltd and its subsidiary included in the consolidated financial statement.
- 5) On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statement of Kriti Industries (India) Ltd and Its aforesaid subsidiary, in our opinion, the consolidated financial statement together with the notes thereon and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of consolidated balance sheet, of the consolidated state of affairs of the consolidated state of affairs of Kriti Industries (India) Ltd and its subsidiary as at 31st March 2011.
 - (b) In case of the consolidated Profit and Loss Account, of the consolidated result of operation of Kriti Industries (India) Ltd and Its subsidiary for the year ended on that date.

For Subhash Deshpande & Co.
Chartered Accountants
(FRN-000476c)

(R.D.Asawa)
Partner
M.No.16562

Place: Indore
Date: 21st May, 2011



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.2011	As at 31.03.2010
I. SOURCES OF FUNDS			
1. Share Holders Fund			
(a) Share Capital	A	49603520	49603520
(b) Reserves & Surplus	B	322374154	274595974
2. Loan Funds			
(a) Secured Loans	C	341253188	349181945
(b) Unsecured loan	C-1	5000000	36804513
3. Deffered Tax Liability/Assets (Net)		57649631	53054106
	Total	<u>775880493</u>	<u>763240058</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	D		
(a) Gross Block		679479738	598255423
(b) Less: Depreciation		<u>265912338</u>	<u>231728579</u>
(c) Net Block		413567400	366526844
(d) Add: Capital Work in Progress		<u>8724221</u>	<u>1236136</u>
		422291621	367762980
2. INVESTMENT (AT COST)	E	114600	304600
3. CURRENT ASSETS, LOANS & ADVANCES	F		
(a) Inventories		771610246	644806206
(b) Sundry Debtors		298737561	203614138
(c) Cash & Bank Balances		52935162	90390825
(d) Loans & Advances		<u>178920455</u>	<u>157732195</u>
		1302203424	1096543364
Less: Current Liabilities & Provisions	G		
(a) Current Liabilities		913205584	671415840
(b) Provisions		<u>35523568</u>	<u>29955046</u>
		948729152	701370886
Net Current Assets (F-G)		<u>353474272</u>	<u>395172477</u>
	Total	<u>775880493</u>	<u>763240058</u>
Accounting policies & Notes on Accounts	P		

As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)

Place: Indore
Date:- 21st May, 2011



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.2011	As at 31.03.2010
INCOME			
Income from Operations (Gross)		3021279005	4209880600
Less : Excise Duty		<u>254605279</u>	<u>174342666</u>
Income from Operations (Net)	H	2766673726	4035537933
Miscellaneous Income	I	20650845	14036070
Increase/ (Decrease) in Stock	J	(8591487)	69461521
	Total	<u>2778733084</u>	<u>4119035524</u>
EXPENDITURE			
Cost of Material	K	2174404190	3323194253
Manufacturing Expenses	L	165407867	205945089
Employees Remuneration & Benefits	M	105963226	106045349
Other Expenses	N	113205708	176190964
Financial Charges	O	97671059	137359364
	Total	<u>2656652051</u>	<u>3948735019</u>
Profit/ (Loss) before Depreciation		122081033	170300505
Less : Depreciation for the year	D	34183758	45701937
Profit/ (Loss) before Tax		87897275	124598567
Current Tax		26876000	21250000
Deferred Tax		4595526	9007701
Net Profit after Tax		56425749	94340866
Less: Prior Year Income Exp/(Income) - Net		0	0
Add : Transfer from Genral Reserve		0	0
Add : Transfer from Contingency Reserve			0
Add : Previous Year Profit Brought forward		72708974	68844934
Profit available for appropriation	Total	<u>129134723</u>	<u>163185800</u>
Proposed Dividend		7440528	7440528
Corporate Dividend Tax		1207040	1264518
Transferred to General Reserve		40000000	78271781
Transferred to Contingency Reserve		2500000	3500000
Balance carried over to Balance Sheet		77987155	72708974
	Total	<u>129134723</u>	<u>163185801</u>
Earning Per Shares (Face Value of Rs 1/- each)			
Basic & Diluted		1.14	1.60

As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)

Place: Indore
Date:- 21st May, 2011



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED		
(100000000 Equity Share Capital of Rs 1/- each Pevour Year 100000000 of Rs 1 each)	<u>100000000</u>	<u>100000000</u>
ISSUED, SUBSCRIBED AND PAID UP	<u>49603520</u>	<u>49603520</u>
(49603520 Equity Shares of Rs 1/- each fully paid up allotted on 27.01.2010 in lieu of existing 62004400 equity shares of Rs.1/- each pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of M.P.)		
Total	<u><u>49603520</u></u>	<u><u>49603520</u></u>
SCHEDULE-B		
RESERVES & SURPLUS		
General Reserve		
Opening Balance	150000000	130000000
Less : Appropriation on account of demerger scheme	<u>0</u>	<u>58271781</u>
	150000000	71728219
Add: Transfer from P&L	<u>40000000</u>	<u>78271781</u>
Closing Balance	<u><u>190000000</u></u>	<u><u>150000000</u></u>
Contingency Reserve		
Opening Balance	5000000	1500000
Add: Transfer from P&L	<u>2500000</u>	<u>3500000</u>
Closing Balance	<u><u>7500000</u></u>	<u><u>5000000</u></u>
Share Premium Account	<u>46614000</u>	<u>46614000</u>
Share forfeiture Account	<u>273000</u>	<u>273000</u>
Profit & Loss Account		
Closing Balances	<u>77987155</u>	<u>72708974</u>
Total	<u><u>322374154</u></u>	<u><u>274595975</u></u>
SCHEDULE-C		
SECURED LOAN		
A. LONG TERM LOAN		
(Secured by First Charge/Mortgage created/to be created on Fixed Assets of the Company and Personal Guarantee of Directors.For loan of Rs.5.90 lacs Promoters' Group Shares pledged)	<u>136364098</u>	<u>163640881</u>
	<u><u>136364098</u></u>	<u><u>163640881</u></u>
B. WORKING CAPITAL LOAN		
(Secured by hypothecation of Finished Goods, Raw Material, Stock in process, Store and Spares, Sundry Debtors, Export Bills, Receivables and Second Charge on Fixed Assets of the Company and Personal Gurantee of Directors)	<u>204889090</u>	<u>185541064</u>
	<u><u>204889090</u></u>	<u><u>185541064</u></u>
Total	<u><u>341253188</u></u>	<u><u>349181945</u></u>
SCHEDULE-C-1		
UNSECURED LOAN	<u>5000000</u>	<u>36804513</u>
Total	<u><u>5000000</u></u>	<u><u>36804513</u></u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

SCHEDULE-D

FIXED ASSETS

SN.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		01.04.10	Additions	Deduction	TOTAL	01.04.10	For Year	Deduction	TOTAL	31.03.11	31.03.10
1.	Land	17285311	0	0	17285311	0	0	0	0	17285311	17285311
2.	Goodwill	8486598	0	0	8486598	424330	1697320	0	2121650	6364948	8062268
3.	Factory Building	100452946	4580225	0	105033170	25283060	3355128	0	28638188	76394982	75169886
4.	Plant & Machinery	363443653	67214266	0	430657919	134207859	20138854	0	154346713	276311206	229235795
5.	Dies & Moulds	76746129	8528338	0	85274467	55897336	5843879	0	61741215	23533252	20848792
6.	Vehicles	3148378	474715	0	3623093	1806924	269826	0	2076750	1546343	1341454
7.	Furniture & Fixture	9752843	121,947	0	9874791	3560796	601289	0	4162085	5712706	6192046
8.	Computer	18939565	304,824	0	19244389	10548274	2277461	0	12825735	6418653	8391291
	TOTAL RS.	598255423	81224315	0	679479738	231728579	34183758	0	265912338	413567400	366526844
	Previous Balance	466926812	136804020	5475408	598255424	190216707	45701936	4190064	231728579	366526845	

PARTICULARS	As at 31.03.2011	As at 31.03.2010
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SCHEDULE - E

INVESTMENTS (At cost) -Non Trade

(Quoted)

S.B.I.Mutual Fund (200 Bonds of Rs.1000 each Price as on 31.03.10 Rs.200000/-) Previous Year Rs.200000/-)	0	200000
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(Unquoted)

Shipra Pipes Pvt.Limited (20000 Equity Shares @ 10/-each)	0	0
National Saving Certificates	14100	4100
Sahkari Audhyogik Vasahat Limited (1 Share of Rs.500/-)	500	500

KAEPL (100% Subsidiary) (10000 Shares of Rs.10/- each)	100000	100000
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Total	<u>114600</u>	<u>304600</u>
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SCEDULE-F

A. CURRENT ASSETS

1. Inventories

a) Raw Materials	387002805	269072675
b) Finished Goods	323725387	332316874
c) Stores, Spares & Others	60882055	43416657

Total	<u>771610246</u>	<u>644806206</u>
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2. Sundry Debtors

(Unsecured Considered Good)

Over Six months	34434956	31825172
Others	264302605	171788966

Total	<u>298737561</u>	<u>203614138</u>
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3. Cash & Bank Balances

Cash in hand	669366	462396
Balance with Scheduled Bank		
On Current Account	166348	1708569
On Deposits Account	52099448	88219860

Total	<u>52935162</u>	<u>90390825</u>
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SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
B. LOAN AND ADVANCES		
(Unsecured, Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	56186060	48617641
b) Sundry Deposits	11043430	17699555
c) Accrued Interest\Income	39408	1113236
d) Advance Tax/Tax Deducted at Source(Net of Provision)	32645933	29562657
e) Cenvat	79005624	60739106
Total	178920455	157732195
SCHEDULE-G		
(A) CURRENT LIABILITIES		
1. Sundry Creditors	840662619	598137749
2. Outstanding Expenses	31470343	23989356
3. Statutory Liabilities	30471412	40781281
4. Dealership Deposit	10601209	8507454
Total	913205584	671415840
(B) PROVISIONS		
Provision for Income Tax	26876000	21250000
Proposed dividend	7440528	7440528
Corporate Dividend Tax	1207040	1264518
Total	35523568	29955046
SCHEDULE-H		
INCOME FROM OPERATIONS		
Gross Domestic Sales	3020435213	3613865625
Less:Excise duty	254605279	174342666
Net Domestic sales	2765829934	3439522959
Export Sales	0	589405188
Job Work Receipts	843792	6609786
Total	2766673726	4035537933
SCHEDULE- I		
MISCELLANEOUS INCOME		
a. Other Operating Income		
Insurance Claim	0	40141
Sundry Balance Written Back	0	80242
Foreign Exchange Fluctuation A/c	4474117	4432184
Sub Total (a)	4474117	4552567
b. Other Income		
Interest Received/Receivable	14445850	9065016
Miscellaneous Income	1722238	418487
Profit on Sale of Assets	8640	0
Sub Total (b)	16176727	9483503
Total (a+b)	20650845	14036070



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-J		
INCREASE / (DECREASE) IN STOCKS		
(Finished Goods and Stock in Process)		
Closing Stock	323725387	398467737
Less : Opening Stock	332316873	329006216
Net Increase/(Decrease) in Stock	(8591487)	69461521
Total	<u>(8591487)</u>	<u>69461521</u>
SCHEDULE-K		
COST OF MATERIAL		
Opening Stock of Raw Material	269072675	167203548
Add: Purchases (Includes gain on account of hedge transaction Rs.3155405 (previous year loss Rs.53902250)	<u>2207659848</u>	<u>3467150627</u>
	2476732523	3634354175
Less: Closing Stock	<u>387002805</u>	<u>458640514</u>
Consumption	2089729719	3175713661
Add:Finished Goods Consumed	59179296	40335997
Add:Packing Material Consumed	25495175	107144595
Total	<u>2174404190</u>	<u>3323194253</u>
SCHEDULE-L		
DIRECT MANUFACTURING EXPENSES		
Stores and Spares Consumed	19179836	26425624
Coal Consumed	0	25639686
Power Charges	70268657	74924716
Job Work Charges	2830056	1454123
Freight & Cartage	24174505	24036477
Repairs & Maintenance	3477261	4961446
Insurance Charges	1152276	2598985
Water Charges	3430660	4738816
Excise duty on finished goods	0	33319439
Miscellaneous Manufacturing Expenses	40894617	7845777
Total	<u>165407867</u>	<u>205945089</u>
SCHEDULE-M		
EMPLOYEES REMUNERATION & BENEFITS		
Salaries and Wages	82113913	85494224
Provident Fund & ESI	5242874	5940152
Bonus	2919914	3630547
Employees Benefits	14903385	9752585
Gratuity	783140	1227841
Total	<u>105963226</u>	<u>106045349</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-N		
OTHER EXPENSES		
Stationery & Printing	414570	1136878
Computer expenses	410433	1101228
Rent, Rates and Taxes	4203794	5816587
Postage, Telegram and Telephones	1936128	2381343
Auditor's Fees	150000	135000
Conveyance Expenses	2348111	3673030
Legal & Professional Charges	7723834	8082923
Miscellaneous Expenses	3018718	2889161
Director's Remuneration	4797043	5167904
P.F on Director Remuneration	379400	374400
Director's Meeting Fee	29000	37000
Advertisement & Publicity	3716215	3298814
Sales Promotion Expenses	2283228	10143869
Brokerage & Commission	25145944	15724692
Freight Outward	38419653	71544497
Sales Tax & Octroi	763305	1425858
Travelling Expenses	12337218	11300656
Sundry Balances Written off	1001488	751436
Export Expenses	0	17262108
Provision for Bad Debts	3512097	0
Bad Debts	615528	13943580
Total	<u>113205708</u>	<u>176190964</u>
SCHEDULE-O		
FINANCIAL CHARGES		
Interest on Term Loans	19540018	42721369
Interest to Banks	48034320	61487091
Interest to Others	5931341	3492110
Bank Charges/Commission	24165380	29658794
Total	<u>97671059</u>	<u>137359364</u>



SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2011

1. Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India and the accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956

(b) Principles of consolidation

1. The consolidation financial statements relate to Kriti Industries (India) Limited (Company) and its wholly owned subsidiary. The consolidated financial statements have been prepared on the following basis.

1.1 The financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses.

1.2 The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presents to the extent possible, in the same manner as the Company's separate financial statements.

2. The subsidiary considered in the consolidated financial statements is:

Name of Company	Country of incorporation	% Voting Power held as at 31st March, 2011	% Voting power held as at 31st March, 2010
Kriti Auto Engineering & Plastics Pvt. Ltd (KAEPPL)	India	100	100

(c) Other Significant accounting Policies

These are set out in the notes to the financial statements under "Statement of accounting Policies" of financial statements of the company and KAEPPL.

2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

3. Contingent liabilities

a. Estimated amount of contracts remaining to be executed on Capital Account Rs. 292.37 lacs net of advance given (Previous Year Rs. 23.30 lacs)

b. Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.169.85 lacs (Previous Year Rs. 64.58 lacs.)

4. Installments of term loans from financial institutions falling due within one year are Rs. 494.00.lacs (Previous Year Rs.414.60 lacs).

5. The amount of Foreign Exchange gain included in the profit & loss account is Rs. 44.74 lacs (Previous Year gain Rs. 44.32 lacs). Above amount is included in other income.

6. The amount of borrowing cost capitalized during the year Rs. 10.92 lacs (Previous Year Nil).

7. EARNING PER SHARE

The Company's share capital consists of equity share. The basic and diluted earning per share is calculated as under:

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in lacs)	564.26	943.40
3.	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)	NIL	NIL
4.	Basic Earning Per Share	1.14	1.58
5.	Diluted Earning Per Share	1.14	1.58
6.	Nominal Value Per Share	1.00	1.00



8. In accordance with the Accounting Standard (AS) 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the names of the related parties and the relevant disclosure is as under:-

(a) Name of the related party and description of relationship:

- i. Key Management Personnel:
Shri Shiv Singh Mehta, Managing Director
Smt. Purnima Mehta, Executive Director
Shri saurabh Singh Mehta, Director
- ii. Relatives of Key Managerial Personnel
Shri Sajjan Singh Mehta (Father of Managing Director)
Miss Devki Mehta (daughter of Managing Director/ Executive Director)
- iii. Subsidiary Company
M/S Kriti Auto & Engineering Plastic Pvt. Ltd (Wholly owned Subsidiary Company)
- iv. Companies/entities under the control of Key Management personnel
 - 1) M/s. Chetak Builders Pvt. Ltd.
 - 2) M/s. Kriti Corporate Services Pvt. Ltd.
 - 3) M/s. Shipra pipes Pvt. Ltd.
 - 4) M/s. Sakam Trading Pvt. Ltd.
 - 5) M/s. Kriti Nutrients Ltd.

The following transaction were carried out with the related parties in the ordinary course of business

(Rs. In lacs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	DEPB License purchased	NIL (NIL)	NIL (NIL)	NIL (NIL)	369.17 (58.54)
2.	Remuneration	NIL (NIL)	49.97 (55.42)	5.40 (8.77)	NIL (NIL)
3.	Rent	NIL (NIL)	NIL (NIL)	2.11 (2.11)	NIL (NIL)
4.	Investments	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5.	Unsecured Loan Given Taken	NIL NIL	NIL NIL (NIL)	NIL NIL (NIL)	1729.40 496.69 (367.87)
6.	Interest	NIL (NIL)	NIL (NIL)	NIL (NIL)	56.50 (20.60)

*The figures mentioned in the brackets are previous year figures.

9. In accordance with the Accounting Standard (AS) 22 "Accounting for Taxation" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the details of Deferred Tax items are as under:



	<u>2010-11</u>	<u>2009-10</u>
Deferred Tax Liabilities:		
On Account of Tax effect on timing difference arising due to difference in Depreciation	45.95 lacs	90.08 lacs

10. Previous figures have been reclassified/regrouped wherever necessary, however same are not Comparable as figures for previous year includes results of solvent and moulding division for 9 months which were separated on 01.01.2010 due to demerger.

For Subhash Deshpande & Co.
Chartered Accountants

For on behalf of the Board

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Managing Director)

Sajjan Singh Mehta
(Director)

Place: Indore
Date:- 21st May, 2011



CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED FROM APRIL, 2010 TO MARCH, 2011

		(Rs. in Lacs)	
Particular	31.03.2011	31.03.2010	
A. Cash Flow from operating activity			
Net Profit Before Tax & Extraordinary Items	878.97	0.00	
Adjustments for:			
Depreciation	341.84	0.00	
Loss/(profit) on Sale of Fixed Asset	0.00	0.00	
Dividend Income	0.00	0.00	
Miscellaneous Income	(206.51)	0.00	
Financial Charges	976.71	0.00	
Prior Period Income/(Expenses)	0.00	0.00	
Operating Profit Before Working Capital Changes	1991.02	0.00	
Adjustment for Working Capital Changes			
Trade & Other Receivables	(933.20)	0.00	
Inventories	(1268.04)	0.00	
Trade Payables	2118.34	0.00	
Cash Generated from Operation	1908.12	0.00	
Taxes paid	(229.91)	0.00	
Net Cash from Operating Activities (A)	1678.20	0.00	
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets/ Capital	(887.12)	0.00	
Sale of Fixed Assets	0.00		
Sale/(Purchase) of Investments	1.90	0.00	
Miscellaneous Income	206.51	0.00	
Dividend Income	(0.00)	0.00	
Net Cash for used Investing Activities (B)	(678.72)	0.00	
C. Net Cash from Financing Activities			
Proceeds from Issue of Share	0.00	0.00	
Proceeds /(Repayment) from Long Term Borrowings	(272.77)	0.00	
Bank Borrowings	193.48	0.00	
Financial Charges	(976.71)	0.00	
Effect of Exchange Rate Change	0.00		
Unsecured loan	(318.05)	0.00	
Dividend paid	0.00		
Net Cash for used Financing Activities (C)	(1374.04)	0.00	
Net Decrease in Cash & Cash Equivalents (A) +(B)+(C)	(374.56)	0.00	
Opening Balance of Cash & Cash Equivalents	903.91	0.00	
Closing Balance of Cash & Cash Equivalents	529.35	0.00	

Last year figures has been regrouped and reclassified wherever applicable

As per our report of even date attached.

For and on behalf of the Board of Directors

For Subhash Deshpande & Co.

Chartered Accountants

R.D.Asawa

(Partner)

M.No. 16562

Place: Indore

Date:- 21st May, 2011

Shiv Singh Mehta

(Managing Director)

Sajjan Singh Mehta

(Director)



Statement pursuant to section 212 of the Companies Act, 1956.

Name of the subsidiary company	Financial year ending of the subsidiary company	Nature of Equity shares held	Extent of holding	For the financial year of the subsidiary			For the previous financial years since it became subsidiary	
				Profit/(losses) so far as it concerns the members of the holding company and not dealt with in the holding company accounts	Profit/(losses) so far as it concerns the members of the holding company and dealt with in the holding company accounts	Profit/(losses) so far as it concerns the members of the holding company and not dealt with in the holding company accounts	Profit/(losses) so far as it concerns the members of the holding company and dealt with in the holding company accounts	Profit/(losses) so far as it concerns the members of the holding company and dealt with in the holding company accounts
Kriti Auto & Engineering Plastics Private Limited	31.03.2011	38,85,000 of Rs 10/- each	100%	Rs in Lacs 68.28	Rs in Lacs 32.82	Rs in Lacs ----	Rs in Lacs ----	Rs in Lacs ----

for and on behalf of the Board of Directors

Place Indore

Dated 21st May, 2011

Shiv Singh Mehta
(Managing Director)Sajjan Singh Mehta
(Director)



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Annual Report on the Audited Accounts for the financial period ended on 31st March, 2011.

1. FINANCIAL RESULTS AND OPERATION:

(Rs. In lacs.)

The brief financial results are as under:	Current Year	Previous Year
Total Income	2450.90	495.60
Total Expenditure	2248.75	465.18
Profit Before Depreciation	202.15	30.42
Profit/ (Loss) before tax	137.45	14.23
Profit/ (Loss) after Tax	68.28	32.48

2. DIVIDEND:

In order to strengthen the financial resources of the Company, your Directors do not recommend any dividend for the year under consideration.

3. PUBLIC DEPOSITS:

The Company has neither invited nor accepted any deposit from the public within the Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 during the year.

4. AUDITORS:

M/s. Subhash Deshpande & Co., Chartered Accountant, Indore the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and has shown their inability to continue as Auditors of the Company.

Company has received notice from a member of the Company under section 190 of the Companies Act, 1956 for appointment of M/s R.D. Asawa & Co., Chartered Accountants, Indore as the Auditors of the Company from the conclusion of ensuing Annual General Meeting.

Shri R. D. Asawa of M/s. R. D. Asawa & Co. Chartered Accountants, Indore was the signing partner of M/s. Subhash Deshpande & Co. in the earlier years.

5. AUDITOR'S REPORT:

The Auditors Report on the accounts for this accounting period ended on 31st March 2011 is self-explanatory, therefore does not require any further explanation.

6. DIRECTOR'S:

Mr. Saurabh Singh Mehta retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

7. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provision of Section 217 (2AA) of the Companies Act, 1956 as amended with respect to Director's responsibility statement and subject to where so ever otherwise contained in the Audit Report, Your Directors hereby confirm.

- That in the preparation of the annual accounts for the financial year ended on 31st March, 2011 the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- That the Director have 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 period ended and of the profit or loss of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts on a going concern basis.

8. PARTICULARS OF EMPLOYEES

The information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as the Company does not have any employee receiving Remuneration exceeding Rs. 24,00,000.00 per annum or Rs. 2,00,000.00 per month or part thereof.

9. DISCLOSURE OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The information in respect of Conservation of Energy as required U/s 217 (1) (e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the report of the Director) Rules, 1988 is not required to given.

The Company has no specific Research & Development department.

There was no foreign exchange earning & outgo in during the year.

10. ACKNOWLEDGEMENT

Your Directors wish to place on record their immense appreciation for the assistance and co-operation extended by the various statutory authorities, Banks, Shareholders and Employee of the Company.

For and on Behalf of the Board.

Place : Indore

Date : 21st July 2011

Shiv Singh Mehta

Director

Manoj Fadnis

Director



AUDITOR'S REPORT

To,
The Member of
Kriti Auto & Engineering Plastics Pvt. Ltd.

- 1) We have audited the attached Balance Sheet of Kriti Auto & Engineering Plastics Pvt. Ltd., as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) Further to our comments in Annexure referred to above, we report that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii) in the case of Profit and Loss Account, of the profit for the year ended on that date, and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date
4. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and according to information & explanation given to us on our enquiries and in consideration of the scheme of arrangement as per note No 2.1 to the notes on accounts and on the basis of such checks we considered appropriate, we further state that:
 - (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the company has not made any disposal of fixed assets during the year.
 - (ii)
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - (iii) Since company has not taken/granted any loans to any company, firm or other party specified in section 301 of Companies Act and



- therefore clauses (a) to (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under that Section, have been so entered.
- (b) According to the information and explanations given to us, there is no transaction in excess of Rs. 5 lakhs in respect of any party and hence the question of reasonable prices in respect of such transactions regards to the prevailing market prices does not arise.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under and therefore clause is not applicable to the company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) The Company is not required to maintain cost records in terms of Sec 209(1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year.
- (b) According to the records of the Company, there are no disputed dues in respect of Sales Tax, Entry Tax and Income Tax
- (x) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
- (xi) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiii) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xiv) Company has not given any guarantees for loans taken by others from banks or institutions, and therefore commenting over terms and conditions does not arise.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained.
- (xvi) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima-facie, not been used during the year for long term investment (fixed assets, etc).
- (xvii) The Company has not made preferential allotment of shares to the parties and companies covered under section 301 of the Act.
- (xviii) The Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by public issue during the year, and therefore question of end use does not arise.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or detected during the year.

For SUBHASH DESHPANDE & CO.
CHARTERED ACCOUNTANTS
F.R.N. 000476C

(R.D. ASAWA)
PARTNER
M.No. 16562

PLACE : INDORE
DATED: 21st May, 2011



BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
Share Capital	A	38850000	38850000
Reserves & Surplus	B	48778773	41950513
LOAN FUNDS			
Secured Loans	C	24740995	40666732
Unsecured Loans	C-1	0	124655
DEFERRED TAX LIABILITY (NET)		10452910	7612019
	Total	<u>122822678</u>	<u>129203919</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	D		
Gross Block		106115676	105833846
Less: Depreciation		<u>27436440</u>	<u>20966631</u>
Net Block		78679236	84867215
Capital Work-In-Process		100000	0
CURRENT ASSETS, LOANS & ADVANCES			
	E		
Inventories		31656199	14522415
Accounts Receivables		78534228	61159683
Cash & Bank Balances		124878	1417818
Loans & Advances		<u>8485325</u>	<u>8292693</u>
		118800630	85392609
LESS: CURRENT LIABILITIES & PROVISIONS			
	F		
Current Liabilities		70681188	40805905
Provisions		<u>4076000</u>	<u>250000</u>
		<u>74757188</u>	<u>41055905</u>
NET CURRENT ASSETS		44043442	44336704
	Total	<u>122822678</u>	<u>129203919</u>
Accounting policies & Notes on Accounts	O		

As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562
Place: Indore
Date:- 21st May, 2011

Shiv Singh Mehta
(Director)

Manoj Fadnis
(Director)



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at 31.03.2011	As at 31.03.2010
INCOME			
Income from Operations (Gross)	G	263417365	54903723
Less : Excise Duty		<u>25004274</u>	<u>4599150</u>
Income from Operations (Net)		238413091	50304573
Miscellaneous Income	H	234710	94290
Increase/ (Decrease) in Stock	I	6442359	(838129)
Total	Total	<u>245090160</u>	<u>49560734</u>
EXPENDITURE			
Cost of Material	J	165513876	30587152
Manufacturing Expenses	K	25220350	6806593
Employees Remuneration & Benefits	L	14570107	3834734
Other Expenses	M	14969467	4078280
Financial Charges	N	4601401	1211679
Total	Total	<u>224875201</u>	<u>46518438</u>
Profit before Depreciation		20214959	3042296
Less : Depreciation for the year	D	6469808	1618800
Profit before Tax		<u>13745151</u>	<u>1423496</u>
Less: Tax Expenses			
Current Tax		4076000	250000
Deferred Tax		2840891	(2074302)
Net Profit after Tax		<u>6828260</u>	<u>3247798</u>
Add : Previous Year Profit brought forward		3200513	(47285)
Profit available for appropriation		<u>10028773</u>	<u>3200513</u>
Proposed Dividend		0	0
Corporate Dividend Tax		0	0
Transferred to General Reserve		0	0
Transferred to Contingency Reserve		0	0
Balance carried over to Balance Sheet		<u>10028773</u>	<u>3200513</u>
Earning Per Shares (Face Value of Rs. 10/- Each)		1.76	3.32
Accounting policies & Notes on Accounts	O		

As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R.D.Asawa
(Partner)
M.No. 16562

Shiv Singh Mehta
(Director)

Manoj Fadnis
(Director)

Place: Indore
Date:- 21st May, 2011



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.11	As at 31.03.10
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs 10/- each	100000000	100000000
Total	<u>100000000</u>	<u>100000000</u>
ISSUED, SUBSCRIBED & PAID UP		
38,85,000 Equity Shares of Rs 10/- each	38850000	38850000
Note:1. All the above shares are held by Kriti Industries (India) Limited, Holding Company.		
2. Out of the above 38,75,000 equity shares were allotted as fully paid up pursuant to the scheme of arrangement.		
Total	<u>38850000</u>	<u>38850000</u>
SCHEDULE-B		
RESERVES & SURPLUS		
Share Premium Account	38750000	38750000
Profit & Loss Account	10028773	3200513
Total	<u>48778773</u>	<u>41950513</u>
SCHEDULE-C		
SECURED LOAN		
A. LONG TERM LOAN FROM STATE BANK OF INDIA	0	25065667
(Secured by First Charge/Mortgage created/to be created on Fixed Assets of the Company and Personal Guarantee of Director)		
B. WORKING CAPITAL LOAN FROM STATE BANK OF INDIA	24740995	15601065
(Secured/to be secured by Hypothecation of Finished Goods, Raw Material, Stock in process, Store and Spares, Sundry Debtors, Export Bills, Receivables and Second Charge on Fixed Assets of the Company and Personal Gurantee of Directors)		
Total	<u>24740995</u>	<u>40666732</u>
SCHEDULE-C-1		
UNSECURED LOAN	0	124655
(Inter-Corporate Deposits)		
Total	<u>0</u>	<u>124655</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

SCHEDULE-D

FIXED ASSETS

SN.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		01.04.2010	Additions	Deduction	TOTAL	01.04.2010	For the period	Back	TOTAL	31.03.11	31.03.10
1.	Land	5597122	0	0	5597122			0	0	5597122	5597122
2.	Goodwill	8486598	0	0	8486598	424330	1697320	0	2121650	6364948	8062268
3.	Factory Building	21296198	0	0	21296198	3857799	711293	0	4569092	16727106	17438399
4.	Plant & Machinery	65258958	276980	0	65535938	14821512	3445673	0	18267186	47268752	50437446
5.	Dies & Moulds	2551414	0	0	2551414	1039495	413584	0	1453080	1098334	1511919
6.	Vehicles	30854	0	0	30854	16117	2931	0	19049	11805	14737
7.	Furniture & Fixture	2217786	0	0	2217786	546100	140386	0	686486	1531300	1671685
8.	Computer	394916	4850	0	399766	261278	58621	0	319899	79867	133639
	TOTAL RS.	105833846	281829	0	106115676	20966631	6469808	0	27436440	78679236	84867215
	Previous Balance	0	105833846	0	105833846	19347831	1618800	0	20966631	84867215	

PARTICULARS	As at 31.03.2011	As at 31.03.2010
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SCHEDULE - E

A. CURRENT ASSETS

1. INVENTORIES

a) Raw Materials	14363782	7758842
b) Finished Goods/WIP	10064609	3622250
c) Stores & Spares	7227808	3141323
Total	<u>31656199</u>	<u>14522415</u>

2. SUNDRY DEBTORS

(Unsecured Considered Good)

Over Six months	7075199	7065043
Others	71459029	54094640
Total	<u>78534228</u>	<u>61159683</u>

3. CASH AND BANK BALANCES

Cash on hand	36777	58053
Balance with Scheduled Bank		
On Current Account	88100	1359765
Total	<u>124878</u>	<u>1417818</u>

B. LOAN AND ADVANCES

(Unsecured, Considered Good)

a) Advances recoverable in cash or in kind or for value to be received	68535	421387
b) Sundry Deposits	1990686	1990686
c) Advance Tax & TDS	3836912	0
d) CENVAT	2589192	476738
e) Accrued Interest/Income	0	1113236
Total	<u>8485325</u>	<u>8292693</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-F		
A. CURRENT LIABILITIES		
1. Sundry Creditors	62584815	37427420
2. Outstanding Expenses	3387907	2045241
3. Statutory Liabilities	4708466	1333244
Total	70681188	40805905
B. PROVISIONS		
1. Provision for income Tax	4076000	250000
Total	4076000	250000
SCHEDULE-G		
Gross Sales	262573573	54062064
Less: Excise Duty	25004274	4599150
Net Sales	237569299	49462914
Job Work Receipts	843792	841659
Total	238413091	50304573
SCHEDULE-H		
MISCELLANEOUS INCOME		
Miscellaneous Income	234710	94290
Total	234710	94290
SCHEDULE-I		
INCREASE / (DECREASE) IN STOCKS		
(Finished Goods and Stock in Process)		
Closing Stock	10064609	3622250
Less : Opening Stock	3622250	0
Less : Stock transfer on account of scheme of arrangement on 01.01.2010	0	4460379
Total	6442359	(838129)
SCHEDULE-J		
COST OF MATERIAL		
Opening Stock of Raw Material	7758842	0
Add Stock transfer on account of scheme of arrangement on 01.01.2010	0	5187105
Add:Purchases	165297470	31693064
	173056312	36880169
Less: Closing Stock	14363782	7758842
	158692530	29121327
Add:Packing Material Consumed	6821346	1465825
Total	165513876	30587152



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Amount in Rs.)

PARTICULARS	As at 31.03.2011	As at 31.03.2010
SCHEDULE-K		
DIRECT MANUFACTURING EXPENSES		
Stores and Spares Consumed	2065236	1787912
Power Charges	10471137	2660020
Job Work Charges	2830056	159188
Freight & Cartage	6787426	1296750
Repairs & Maintenance	1974233	297982
Insurance Charges	111092	43616
Water Charges	241907	73518
Miscellaneous Manufacturing Expenses	739263	487607
Total	25220350	6806593
SCHEDULE-L		
EMPLOYEES REMUNERATION & BENEFITS		
Salaries and Wages	11243154	2917647
Provident Fund & ESI	523694	110469
Bonus	360000	98963
Employees Benefits/Staff Welfare	2202623	692614
Gratuity	240636	15041
Total	14570107	3834734
SCHEDULE-M		
OTHER EXPENSES		
Stationery & Printing	180430	183907
Rent, Rates and Taxes	554924	70500
Postage, Telegram and Telephones	608347	163569
Conveyance Expenses	228463	49147
Legal & Professional Charges	1688507	171405
Audit Fees Payable	25000	10000
Computer Expenses	45763	2300
Miscellaneous Expenses	120307	13226
Advertisement & Publicity	0	18000
Sales Promotion Expenses	81977	3000
Freight Outward	7076895	1501033
Sales Tax & Octroi	170392	76866
Bad Debts & Sundry Balances Written off	3768042	1771149
Travelling Expenses	420420	44178
Total	14969467	4078280
SCHEDULE-N		
FINANCIAL CHARGES		
Interest on Term Loans	2017814	721068
Interest to Banks	1997690	462553
Interest to Others	0	19570
Bank Charges/Commission	585897	8488
Total	4601401	1211679



SCHEDULE - O

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), The Companies Accounting Standard Rules, 2006 and relevant provisions of Companies Act, 1956 ("the Act") to the extent applicable.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed assets and depreciation

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies and any directly, attributable cost of bringing the asset to the working condition for its intended use.

Depreciation is provided on the straight-line method ('SLM') as per the depreciation rates prescribed in Schedule XIV of the Act. Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

1.4 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the 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 recognized in the profit & loss account. If at the balance sheet 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 subject to a maximum of depreciable historical cost.

1.5 Investments

Investments classified as long term investment are carried at cost. Provision for diminution, if any, is made to recognize a decline other than temporary, in the value of the investment.

1.6 Inventories

1. Stores and Spares parts, etc: At cost, (net of excise duty) with moving average price on FIFO basis.
2. Raw materials: At cost, (net of excise duty) with moving average price on FIFO basis.
3. Finished Goods: At estimated cost or net realizable value (whichever is lower)
4. By Products: At net realizable value.

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.7 Revenue recognition

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Value Added Tax.
- (b) Dividend income is recognized when the right to receive the dividend is established.
- (c) Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

1.8 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. Benefits such as salaries, wages and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

(b) Post-Employment Benefits



- (i) Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.
- (ii) Defined Benefit Plans: The Company has taken Group Gratuity and Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation as advised by LIC, using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC.
Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

1.9 Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006.

1.10 Taxation

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.11 Earning Per Share

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

1.12 Provisions for contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized in the financial statements.

2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
3. Contingent liabilities
Installments of term loans from financial institutions falling due within one year are Rs. Nil (Previous Year Rs. 250.66 lacs).
4. Company's Income tax assessments have been completed up to Assessment year 2009-2010. In the opinion of Board of Director's provision made for Income Tax for current year is adequate.
5. Unpaid overdue amount due on 31 March, 2011 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to Rs. Nil.
This disclosure is on the basis of the information available with the company regarding the statues of the Suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
6. The disclosure required as per Accounting Standard (AS) 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 and based on the report generated by Life Insurance Corporation of India (LIC) is as under:



(a) The company has taken Group Gratuity and Cash Accumulation Policy issued by the LIC, which is a defined benefit plan.		
	(Rs.)	(Rs.)
(b) Table showing changes in present value of obligations as on	31/03/2011	31/03/2010
Present value of obligations as at beginning of the year	109698	NIL
Add:- Transfer pursuant to scheme of arrangement	NIL	109698
Total Present value of obligations	109698	109698
Interest Cost	8776	8776
Current Service Cost	70310	70310
Benefit Paid	(36346)	NIL
Actuarial (gain)/loss on obligations	203680	17475
Present value of obligations as at end of the year	356118	206259
(c) Table showing changes in the fair value of plan assets as on	31/03/2011	31/03/2010
Fair value of plan assets at beginning of the year	440821	NIL
Add:- Transfer pursuant to scheme of arrangement	NIL	404423
Total Present value of obligations	440821	404423
Expected return on plan assets	42130	36398
Contribution	64296	NIL
Benefit Paid	(36346)	NIL
Actuarial gain/(loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	510901	440821
(d) Table showing fair value of plan assets as on	31/03/2011	31/03/2010
Fair value of plan assets at beginning of the year	440821	NIL
Add:- Transfer pursuant to scheme of arrangement	NIL	404423
Total Present value of obligations	440821	404423
Actual return on plan assets	42130	36398
Contribution	64296	NIL
Benefit Paid	(36346)	NIL
Fair value of the plan assets at the end of the year	510901	440821
Funded status	154783	234562
Excess of actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return= estimated rate of return as ARD falls on 31/03/2011)		
(e) Actuarial Gain/Loss recognized as on	31/03/2011	31/03/2010
Actuarial (Gain)/Loss for the year-obligation	(203680)	(17475)
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Total (Gain)/Loss for the year	203680	17475
Actuarial (Gain)/Loss recognized for the year	203680	17475
(f) Expenses recognized in statement of profit and loss	31/03/2011	31/03/2010
Current Service Cost	70310	70310
Interest cost	8776	8776
Expected return on Plan Asset	(42130)	(36398)
Net Actuarial (Gain)/Loss recognized in the year	203680	17475
Expenses recognized in the statement of profit & loss	240636	60163
(g) Assumption		
Discount rate	8%	8%
Salary Escalation	7%	7%
7. The amount of borrowing cost capitalized during the year NIL (Previous Year NIL).		



8. EARNING PER SHARE

The Company's share capital consists of equity share. The basic and diluted earning per share is calculated as under:

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares at the Commencement As on 01.01.2010	--	10000
2.	Shares issued during the year 2009-10, pursuant to the scheme of arrangement approved by the Hon able high court of M.P.	--	3875000
3.	Basic/Weighted average No. of Shares for the Year	3885000	978750
4.	Profit contribution for Basic EPS (Rs in lacs)	6828260	3247798
5.	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)	NIL	NIL
6.	Basic Earning Per Share	1.76	3.32
7.	Diluted Earning Per Share	1.76	3.32
8.	Nominal Value Per Share	10.00	10.00

9. In accordance with the Accounting Standard (AS) 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the names of the related parties and the relevant disclosure is as under:-

(a) Name of the related party and description of relationship:

i. Key Management Personnel:

Shri Shiv Singh Mehta, Director

Shri Saurabh Singh Mehta, Director

ii Relatives of Key Managerial Personnel

Shri Sajjan Singh Mehta (Father of Shri Shiv Singh Mehta)

Smt. Purnima Mehta (Wife of Shri Shiv Singh Mehta & Mother of Shri Saurabh Singh Mehta)

Miss Devki Mehta (Daughter of Shri Shiv Singh Mehta & Smt. Purnima Mehta)

iii Holding Company

Kriti Industries (India) Limited

The following transaction were carried out with the related parties in the ordinary course of business

(Rs. In lacs)

Sr. No.	Nature of Transaction	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	O/s Unsecured Loan taken	NIL (1.17)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2.	Interest paid	NIL (0.20)	NIL (NIL)	NIL (NIL)	NIL (NIL)

10. In accordance with the Accounting Standard (AS) 22 "Accounting for Taxation" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the details of Deferred Tax items are as under:

2010-11 2009-10

Deferred Tax Liabilities/Assets:

On Account of Tax effect on timing difference arising due to difference in Depreciation 28.41 lacs (20.74) lacs

11. Additional information as required under Part II of Schedule VI to the Companies Act, 1956 is as under

PARTICULAR	31/03/2011		31/03/2010	
	Qty M.T	Value Rs. In lacs	Qty M.T	Value Rs. In lacs
1 CAPACITY				
A INSTALLED CAPACITY P.A. (As certified by the Management)				
ENGINEERING PLASTIC PRODUCTS	3600		3600	



B	PRODUCTION ENGINEERING PLASTIC PRODUCTS	1426		27600	
2	TURNOVER ENGINEERING PLASTIC PRODUCTS	1050	2384.13	275	503.05
			<u>2384.13</u>		<u>503.05</u>
3	OPENING STOCK ENGINEERING PLASTIC PRODUCTS	11	36.22	11*	44.60
			<u>36.22</u>		<u>44.6</u>
	*Transfer on demerger as on 01-01-2010				
4	CLOSING STOCK OF FINISHED GOODS ENGINEERING PLASTIC PRODUCTS	386	100.65	11	36.22
			<u>100.65</u>		<u>36.22</u>
5	RAW MATERIAL CONSUMED PLASTIC POLYMERS	1514	1586.93	318	291.21
		<u>1514</u>	<u>1586.93</u>	<u>318</u>	<u>291.21</u>
6	VALUE OF IMPORTED MATERIAL CONSUMED AND PERCENTAGE TO THE TOTAL CONSUMPTION	Value	%	Value	%
	I IMPORTED	21.90	1.38	0.00	0.00
	II INDIGENOUS	1565.03	98.62	291.21	100
		<u>1586.93</u>	<u>100</u>	<u>291.21</u>	<u>100</u>
7	CIF VALUE OF IMPORT RAW MATERIAL CAPITAL GOODS	21.90 0.00 <u>21.90</u>		0.00 0 <u>0.00</u>	
8	EARNING IN FOREIGN CURRENCY FOB/FOR BASIS(EXPORT OF GOODS)	0.00		0.00	
9	EXPENDITURE IN FOREIGN CURRENCY INTEREST OTHERS	0.00 0.00		0.00 0.00	

12. Previous year figures have been regrouped and reclassified wherever necessary, however same are Not comparable as the current accounts have been made for 12 Months against previous period of 3 Months.

Accounting policies & Notes on Accounts
As per our report of even date attached.
For Subhash Deshpande & Co.
Chartered Accountants
R.D.Asawa
(Partner)
M.No. 16562

For and on behalf of the Board of Directors

Shiv Singh Mehta
(Director)

Manoj Fadnis
(Director)

Place: Indore
Date:- 21st May, 2011



CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31 MARCH, 2011

(Amount in Rs.)

Particular	2010-2011	2009-2010
A. Cash Flow from operating activity		
Net Profit Before Tax & Extraordinary Items	137.45	14.23
Adjustments for:		
Depreciation	64.70	16.19
Loss/(profit) on Sale of Fixed Asset	0	0
Dividend Income	0	0
Miscellaneous Income	(2.35)	(0.94)
Financial Charges	46.01	12.12
Prior Period Income/(Expenses)	0	0
Operating Profit Before Working Capital Changes	<u>245.82</u>	<u>41.60</u>
Adjustment for Working Capital Changes		
Trade & Other Receivables	(175.57)	(694.11)
Inventories	(171.34)	(145.22)
Trade Payables	337.01	504.81
Cash Generated from Operation	235.92	(292.92)
Financial Charges	(46.01)	(12.12)
Taxes paid	(40.86)	0.00
Net Cash from Operating Activities (A)	<u>149.05</u>	<u>(305.04)</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets/ Capital	(3.82)	(864.85)
Sale of Fixed Assets	0	0
Sale/(Purchase) of Investments	0	0
Miscellaneous Income	2.35	0.94
Dividend Income	0	0
Net Cash used for Investing Activities (B)	<u>(1.47)</u>	<u>(863.91)</u>
C. Net Cash from Financial Activities		
Proceeds from Issue of Shares		
Proceeds /(Repayment) from Long Term Borrowings	(250.66)	775.00
Short Term Loan movement	91.40	250.66
Effect of Exchange Rate Change	0	156.01
Unsecured loan taken	(1.25)	1.25
Dividend paid	0	0
Net Cash for used Financing Activities (C)	<u>(160.50)</u>	<u>1182.91</u>
Net Decrease in Cash & Cash Equivalents (A)+(B)+(C)	(12.93)	13.96
Opening Balance of Cash & Cash Equivalents	14.18	0.22
Closing Balance of Cash & Cash Equivalents	(1.25)	14.18

Last year figures has been regrouped and reclassified wherever applicable

As per our report of even date attached.

For and on behalf of the Board of Directors

For Subhash Deshpande & Co.

Chartered Accountants

R.D.Asawa
(Partner)

M.No. 16562

Place: Indore

Date:- 21st May, 2011

Shiv Singh Mehta
(Director)Manoj Fadnis
(Director)



Notes

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KRITI INDUSTRIES (INDIA) LTD.

Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452 007

ECS MANDATE FORM

I hereby authorize you to make all payments in respect of my holding in your Company to my bankers for crediting to my account as detailed below:

1. Shareholder's name :
(In Block letters) (First holder)
2. Folio Number/ DP ID :
and Client ID No. (Joint holder, if any)
3. No. of Shares held :
4. Name of the Bank :
5. Branch Name and Address :
.....
6. Account type : SB A/c ☐ Current A/c ☐ Others ☐
(Mark 'X' in the appropriate box) (Please specify)
7. Bank account number :
8. Ledger folio number of the account :
(as appearing on cheque Book)
9. Nine digit code number of the :
bank and branch appearing on the cheque:
10. PAN :

I/we hereby declare that the particulars given above are correct and complete. If credit is not effected for the reason(s) of incomplete or incorrect information. I/we would not hold the Company responsible.

Dated :

.....
Signature of the first holder
(as appearing in the Company's records)

Certificate of the Investor's bank

Certificate that the particulars of the bank account furnished above are correct as per our records.

Bank stamp

Dated :

.....
Signature of the authorized
official of the bank

Note: Please attach cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the code number.



KRITI INDUSTRIES (INDIA) LTD.

Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452 007

ADMISSION - SLIP

Folio No. :

Please bring your copy of the Annual Report to the Meeting

No. of Shares Held :

I hereby record my presence at the 21st Annual General Meeting of the Company being held at Chetak Chambers, 4th Floor, 14, R.N.T. Marg, Indore - 452 001 (M.P.) on Saturday the 24th September, 2011 at 3.00 P.M.

Name of the Shareholder

Name of the Proxy Holder/Authorised Representative.....

Signature of the Shareholder/Proxy/Authorised Representative.....

Notes :

1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to the Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the Meeting.

KRITI INDUSTRIES (INDIA) LTD.

Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452 007

PROXY - FORM

I/We _____ of _____ being a member/members of KRITI INDUSTRIES (INDIA) LIMITED hereby appoint Shri/ Smt. /Km. _____ of _____ or failing him/her Shri /Smt. /Km. _____ of _____ failing him/her Shri /Smt./Km. _____ of _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Saturday the 24th September, 2011 at 3.00 P.M. and at any adjournment thereof.

Signed this day of2011

Folio No. :

No. of Shares Held :

Affix One
Rupee
Revenue
Stamp

Signatures

Note :

The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

