



## KRITI INDUSTRIES (INDIA) LIMITED

"CHETAK CHAMBERS", 4th FLOOR, 14, R.N.T. MARG, INDORE-1, (M.P.) INDIA  
PHONE No. : (91 - 731) 2719100. FAX : (91 - 731) 2704506, 4042118  
REGD.OFF.: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE-452007 Phone: 2540963  
E-mail: info@kritiindia.com Website: <http://www.kritiindia.com>  
CIN : L25206MP1990PLC005732

August 17, 2016

To,  
The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai (M.H.) 400 001

Dear Sirs,

**Subject: Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations,  
2015 - Submission of Annual Report 2015-16.**

**Scrip Code: 526423**

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing the copy of Annual Report 2015-16 duly approved and adopted at the 26<sup>th</sup> Annual General Meeting of the Members held on Thursday, August 11, 2016.

The said Annual Report is also placed on the website of the Company [kiil.kritiindia.com](http://kiil.kritiindia.com)

This is for your information and record.

Thanking you,

Yours Faithfully,

For Kriti Industries (India) Limited

  
Priyanka Gupta  
Company Secretary & Compliance Officer





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KRITI INDUSTRIES (INDIA) LIMITED  
26TH ANNUAL REPORT 2015-2016.

**Board of Directors**

Shri Shiv Singh Mehta, *Managing Director*

Smt. Purnima Mehta, *Executive Director*

Dr. Swatantra Singh Kothari

Shri Rakesh Kalra

CA Manoj Fadnis

Dr. Somnath Ghosh (*ceases w.e.f. 31.03.2016*)

Shri Chandrasekharan Bhaskar (*Appointed as additional director on 12.05.2016*)

**Auditors**

Rakesh Kumar & Associates

Chartered Accountants

"Navratan", 128-R, Khatiwala Tank, Indore - 452 014 (M.P.)

**Bankers**

State Bank of India

State Bank of Travancore

IDBI Bank Ltd.

Bank of India

State Bank of Hyderabad

The Cosmos Co-opertive Bank Ltd.

HDFC Bank Ltd.

**Company Secretary**

Smt. Priyanka Gupta

**Registered Office**

Mehta Chambers, 34, Siyaganj, Indore - 452 007 (M.P.)

**Corporate Support Center**

Chetak Chambers, 4th Floor, 14 RNT Marg,

Indore - 452 001 (M.P.)

**Share Transfer Agent**

M/s Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura,

Indore - 452 010 (M.P.)

RIGHT.



## NOTICE

**NOTICE IS HEREBY GIVEN** that the **26<sup>th</sup> Annual General Meeting** of the Members of **KRITI INDUSTRIES (INDIA) LIMITED** will be held on **Thursday the 11<sup>th</sup> August, 2016 at 04.00 P.M.** at Corporate Support Center of the company situated at 4<sup>th</sup> 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 the Audited Financial Statements together with Directors Report as also the Auditors Report thereon for the year ended **March 31, 2016**.
2. To Confirm the payment of Interim Dividend of Rs. 0.18 per Equity Share.
3. To appoint a Director in place of Dr. S.S. Kothari (DIN 00084920), who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s Rakesh Kumar & Associates, Chartered Accountants (FRN 002150C), appointed as auditors of the Company which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company to be held in the year 2020 on such remuneration as may be fixed by the Board”.

### SPECIAL BUSINESS

5. **Ratification of Remuneration to Cost Auditor.**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) Shri S.P.S Dangi, Cost Accountant (FRN 100004), appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31.03.2017 be paid the remuneration as set out in the statement annexed to the notice.”

6. **Re-appointment of Shri Shiv Singh Mehta (DIN : 00023523) as Managing Director for further period of 5 years.**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provision of section 197,198 read with schedule V and other applicable provisions, if any of the companies Act, 2013 including any statutory modification or enactment thereof, or any other laws, for time being in force the consent of the member be and is hereby accorded to reappointment of Shri Shiv Singh Mehta as an Managing Director of the Company who is already Managing Director of another company, namely Kriti Nutrients Ltd for the further period of 5 years commencing from 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September,2021 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 Board may deems fit within the limits specified in schedule V of the companies Act,2013 as existing or amended, modified or re enacted from time to time”.



**7. Re-appointment of Smt. Purnima Mehta (DIN : 00023632) as a Whole Time Director for the further period of 3 years.**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provision of section 197,198 read with schedule V and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or enactment thereof, or any other laws, for time being in force the consent of the member be and is hereby accorded to reappointment of Smt. Purnima Mehta as an Whole time Director designated as Executive Director of the Company for the further period of 3 years commencing from 01<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2019 on remuneration and terms and conditions mentioned in 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 Board may deems fit within the limits specified in schedule V of the Companies Act, 2013 as existing or amended, modified or re enacted from time to time”.

**8. Appointment of Shri Chandrasekharan Bhaskar (DIN: 00003343) as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of sections 169, 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as may be amended from time to time and as per SEBI ( Listing obligations and Disclosure Requirements) Regulations, 2015, **Shri Chandrasekharan Bhaskar (DIN: 00003343)**, who was appointed as an Additional Director of the company and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director not liable to retire by rotation of the company to hold office for a term of 5 (Five) consecutive years.”

**9. Adoption of new set of Article of Associations of the Company-**

To consider and if thought fit to pass with or without modification, the following resolution as special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and are hereby altered by replacing all the existing articles with the new set of articles as per Table F, Schedule I draft hereby placed and approved.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Shri Shiv Singh Mehta (DIN: 00023523), Managing Director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Gwalior, Madhya Pradesh.”

**Place: Indore**

**Date: 12<sup>th</sup> May, 2016**

**Kriti Industries (India) Ltd**

**CIN L25206MP1990PLC005732**

**Regd. Office: Mehta Chamber, 34 Siyaganj,**

**By order of the Board**

**Priyanka Gupta**

**Company Secretary**

**Notes:**

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.**

**A person can act as a proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. **The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 09.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto. The Company has notified closure of Register of Members and Share Transfer Books from Friday, 5<sup>th</sup> August, 2016 to Thursday, 11<sup>th</sup> August, 2016 (both days inclusive) for the Annual General Meeting.
4. Relevant documents referred to in 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. up to the date of meeting.
5. Members desirous 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.
6. Electronic copy of the Annual Report 2016 is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same.
7. Pursuant to Section 205A(5) and 205C of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 321784/- being the unpaid and unclaimed dividend amount pertaining to dividend for the year 2008-09 to the Investor Education and Protection Fund of the Central Government. The company has uploaded the details of unpaid and unclaimed amount lying with the company on 24<sup>th</sup> September, 2015 (Date of Last AGM) and also on the website of the Ministry of Corporate Affairs.
8. In compliance with the provisions of section 108 of the Act and Rules framed there under and in compliance with regulation 44 of SEBI (LODR) Regulations, 2015, the Members are provided with the facility to casts their vote electronically, through the e – voting services provided by NSDL, on all resolutions set forth in this Notice.
9. The remote e-voting period commences on Monday, 08<sup>th</sup> August, 2016 (9:00 A.M. IST) and ends on Wednesday, 10<sup>th</sup> August, 2016 (5:00 P.M. IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 4<sup>th</sup> August 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.



## KRITI INDUSTRIES (INDIA) LIMITED

- (vii) Select "REVEN" of "Kriti Industries (India) Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Corporate / Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [kriti.scrutinizer@gmail.com](mailto:kriti.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

REVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (II) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

10. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
11. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
12. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
13. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, 04<sup>th</sup> August, 2016.
14. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 04<sup>th</sup> August, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
15. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
16. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
17. CS Ishan Jain, Practicing Company Secretary (M. No. ACS 29444 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
18. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
19. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
20. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [kn1.kritiindia.com](http://kn1.kritiindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.





21. For any further queries relating to the shares of the Company, you may contact the Share Transfer agent (RTA) at the following address:  
**M/s. Ankit Consultancy Pvt. Ltd.**  
 60, Electronic Complex, Pardeshipura  
 Indore (M.P.) 452010  
 Tel: 0731-2551745/46, Fax: 0731-4065798,  
 E-mail: ankit\_4321@yahoo.com
22. Members may also note that the Notice of the 26th AGM and the Kriti Industries (India) Ltd. Annual Report 2015-16 will be available on the Company's website [kiil.kritiindia.com](http://kiil.kritiindia.com). Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : [info@kritiindia.com](mailto:info@kritiindia.com).
23. Additional information, pursuant to Regulation 36 the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Business mentioned at Item No. 5, 6, 7, 8 & 9 of the accompanying Notice:

##### Item No. 5

On the recommendations of the Audit Committee, the Board has appointed Shri S.P.S. Dangi, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2017 on a remuneration of Rs. 25000/- (Rupees Twenty Five Thousand Only).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholder of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

The Board recommends the ordinary resolution as set out in Item No. 5 of the notice for approval.

##### Item No. 6

The existing tenure of Shri Shiv Singh Mehta as Managing Director of the company is expiring on 30<sup>th</sup> September, 2016. Upon the recommendation of the Remuneration Committee of the board, the Board of Directors at its meeting held on 12<sup>th</sup> March 2016 has passed the resolution for his re-appointment as the Managing Director w.e.f. 1<sup>st</sup> October, 2016 for the approval of member in ensuing Annual General Meeting of the company on the following terms and conditions.

- a) Salary: Rs. 300000/- per months
- b) Perquisites and allowances: Rs. 50000/- per month. The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel Concession.
- c) Commission: Payable for each financial year subject to the overall maximum ceiling of 5% of the net profit as computed in accordance with the provisions of Section 197 of the Companies Act, 2013 inclusive of salary, perquisites and allowances as per (a) and (b) above.
- d) Reimbursement and other facilities not considered as perquisites
  - i. Reimbursement of expenses incurred for traveling, boarding and lodging during business trips, expenses of telephone at residence and cell phone,
  - ii. Provision of car with driver,
  - iii. Payment of club fees.
- e) Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure, the company has no profit or its profits are inadequate, the remuneration as set above in (a) & (b) shall be the minimum remuneration payable.
- f) No sitting fees shall be payable for attending the Board meeting or committee meeting thereof.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Shri Shiv Singh Mehta, as required under section 102 of the Companies Act, 2013.

None of the directors except Shri Shiv Singh Mehta, Smt. Purnima Mehta and Dr. S.S. Kothari, are concerned or interested in the resolution.





**Item No. 7**

The Board of Directors at its meeting held on 12<sup>th</sup> May, 2016 passed the resolution for re- appointment of Smt. Purnima Mehta as Executive Director of the Company w.e.f. 1<sup>st</sup> July, 2016 for a period of Three years on following remuneration and terms & conditions

- a. Salary : Rs. 200000/-per month
- b. Perquisites and allowances: Rs. 50000/-per month  
The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave travel concession.
- c. Commission: Payable for each financial year @ 3% of the net profit as computed in accordance with the provisions of Section 197 & 198 of the Companies Act, 2013.
- d. Reimbursements and other facilities; not considered as perquisites :
  - i. Reimbursement of expenses incurred for travelling, boarding and lodging during business trips; expenses of telephone at residence and cell phone;
  - ii. Provision of car with driver;
  - iii. Payment of club fees.
- e. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure, the Company has no profit or its profits are inadequate, the remuneration as set above in (a) & (b) shall be the minimum remuneration payable.
- f. No sitting fees shall be payable for attending the board meeting or committee meeting thereof.

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 197 & 198 of the Companies Act. 2013.

None of the directors except Shri Shiv Singh Mehta, Smt. Purnima Mehta and Dr. S.S. Kothari, are concerned or interested in the resolution.

**Item No 8.**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the company at its meeting held on May 12<sup>th</sup>, 2016 appointed **Shri Chandrasekharan Bhaskar (DIN: 00003343)** as an Additional Director (Non-Executive Independent) of the company and holds the office upto the date of ensuing Annual General meeting in terms of section 161 of the Companies Act, 2013.

The company has received notice in writing from members along with the deposit of requisite amount under section 160 of the Act, proposing the candidature of **Shri Chandrasekharan Bhaskar (DIN: 00003343)**

**Shri Chandrasekharan Bhaskar (DIN: 00003343)** has given a declaration to the Board that he meets the criteria of independence as provided under section 149(7) of the Act and Regulation 17 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, is not disqualified from being appointed as a director in terms of section 164 of the Act and has given his consent to act as Director.

In the opinion of the Board **Shri Chandrasekharan Bhaskar (DIN: 00003343)** fulfills the conditions specified in the Act and the Rules framed there under and as per SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of the Independent Director can hold office for a term upto 5(Five) consecutive years on the Board of company and he shall not be included in the total number of directors for retire by rotation.

None of the Directors / Key Managerial Personnel of the company and their relatives is in any way concerned or interested, financial or otherwise, in the resolutions set out at item No. 8, except to the extent of sitting fee for attending the Board and other meetings from time to time payable to him.

The Board recommends the ordinary resolution as set out in Item No. 8 of the notice for approval.

**Item No 9.**

The Existing Articles of Association are replaced by the new set of article as draft hereby placed and approved and adopted as new set of Articles of Association. The modification in the Articles of Association is carried out to give effect to the provisions of the Companies Act, 2013. Consent of the shareholders by passing a Special Resolution is required in this regard. New set of Articles is available on company's website.


**Details of the directors seeking appointment /reappointment at the Annual General Meeting**

Particulars	Dr. S.S. Kothari (DIN : 00084920)	Shri Shiv Singh Mehta (DIN : 00023523)
Date of Birth	15.06.1930	03.03.1954
Date of Appointment	24.04.1992	12.03.1990
Expertise in specific area	Company Law, Taxation, Accounting & Economics	Finance, Marketing, Technical and Business Administration
Qualification	B.Sc.	B.E., M.B.A.
List of Outside Directorship held	Kothari Management & Industrial Consultants Pvt. Ltd.	Kriti Nutrients Limited Kriti Auto and Engineering Plastics Private Limited Sakam Trading Private Limited Rajratan Global Wire Limited Chetak Builders Private Limited Organization of Plastics Processors of India
Chairman/ Member of the committees of the Board of Directors of the Company	None	Chairman: Financial Committee Member: Stakeholder's relationship Committee Chairman: Corporate Social Responsibility.
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	None	None
(b) Stakeholders' Relationship Committee	None	Kriti Nutrients Limited
(c) Remuneration Committee	None	None
(d) CSR Committee	None	None
(e) Committee of Directors	None	None
No. & Percentage of Shares held	NIL	No. of Shares: 2028799 Percentage of Eq. Shares held: 4.09%
Particulars	Smt. Purnima Mehta (DIN : 00023632)	Shri Chandrashekar Bhaskar (DIN : 00003343)
Date of Birth	25.05.1960	03.05.1955
Date of Appointment	01.10.1999	12.05.2016
Expertise in specific area	Account & Finance, Purchase, IT, HR and Administration	Operational Management, marketing and General Management.
Qualification	B.A. (Hons), PGDBM	B.Tech.(Chem.) MIMA, PGDM
List of Outside Directorship held	Kriti Nutrients Limited Sakam Trading Private Limited Chetak Builders Private Limited	Xpro India Limited Digjam Limited Xpro Global Ltd. Prosperous Healthy Life Pvt. Ltd. Market Café Foods Ltd. Xpro Global Pte. Ltd (Singapore) Organization of plastics processors of India
Chairman/ Member of the committees of the Board of Directors of the Company	Member: Audit Committee Member: Financial Committee Member: Stakeholders' Relationship Committee Chairman: CSR Committee	Chairman: Stakeholders' Relationship Committee Member: Nomination & Remuneration Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	Kriti Nutrients Limited	None
(b) Stakeholders' Relationship Committee	Kriti Nutrients Limited	Xpro India Limited, Digjam Limited
(c) Remuneration Committee	None	None
(d) CSR Committee	Kriti Nutrients Limited	Xpro India Limited, Digjam Limited
(e) Committee of Directors	None	Xpro India Limited, Digjam Limited
No. & Percentage of Shares held	No. of Shares: 125592 Percentage of Eq. Shares held: 0.25%	Nil

**DIRECTORS' REPORT**

Your Directors have the pleasure in presenting the 26<sup>th</sup> Annual Report together with Audited Financial Statements of the Company for the year ended on 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2016 is summarized below: (Rs. in Lacs)

Particulars	2015-16	2014-15
Total Income	51756.40	39844.50
Profit before Interest, Depreciation & Taxes	3921.42	2069.36
Less: Interest	1585.06	1258.58
Profit before depreciation	2336.36	810.78
Less: Depreciation	404.71	392.80
<b>Profit Before Tax</b>	<b>1931.65</b>	<b>417.98</b>
Provision for Taxation	762.57	148.62
<b>Net Profit</b>	<b>1169.80</b>	<b>269.36</b>

**STATE OF COMPANY'S AFFAIRS**

The Company has achieved a total turnover of **Rs. 51756.40 lacs** ( Rs. 39844.50 lacs ) and Profit before Tax **Rs. 1931.65 lacs** (Rs. 417.98 lacs ) and Profit after Tax of **Rs. 1169.80 lacs** ( Rs. 269.39 lacs ). During the Year company registered impressive growth in terms of turnover as well as overall profitability in all the verticals.

It is expected that same momentum will be maintained in the financial year 2016-17. Necessary steps have been taken to achieve the growth momentum.

**DIVIDEND**

During the Financial Year 2015-16, the Board of Directors of the company declared and paid interim dividend @18% (Rs. 0.18/-per equity shares of Rs. 1/- each on 49603520 Equity Shares) absorbing a sum of Rs. 89.29 Lacs and the same is considered as final dividend.

**DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:-

- that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that 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 a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2016 and of the statement of profit and loss of the Company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.



- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

The Company has complied with the mandatory provisions on Corporate Governance as prescribed in the Regulation 27 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. A separate report on Corporate Governance as per schedule V {C} of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 is included as a part of the Annual Report along with the Auditors' Certificate on its compliance.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

Separate disclosure as per regulation 34 (3) and 53 (f) of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015 is made in the report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

During the year the CSR amount which was to be spent was Rs. 28.75 lacs out of which the Company has spent Rs. 5.75 lacs in the year 2015-16. The company identified the CSR projects and Balance amount along with the current year amount will be spent in the coming years.

As a part of its initiative under Corporate Social Responsibility (CSR), the company has undertaken CSR initiative and activities in the areas of promoting education and Health Care.

The Annual Report on CSR activities is annexed hereto as Annexure C and forms a part of this Report.

#### **RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company's system of financial and compliance control with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives.

Management is responsible for establishing and maintaining adequate disclosure control and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations.

The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

#### **DIRECTORS**

In terms of Section 197, 198 read with schedule V and other applicable provisions, if any of the Companies Act, 2013, Shri Shiv Singh Mehta (DIN 00023523), Managing Director of the Company was reappointment for the further period of 5 years commencing from 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2021.

In terms of Section 197, 198 read with schedule V and other applicable provisions, if any of the Companies Act, 2013, Smt. Purnima Mehta (DIN 00023632), Executive Director of the company was reappointment for the further period of 3 years commencing from 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2019.

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Dr. S.S Kothari (DIN 00084920), shall retire by rotation at the



ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

Pursuant to provisions of Companies Act, 2013 Shri Somnath Ghosh, Independent Director of the company whose terms was expired on 31<sup>st</sup> March, 2016 and he has not offered himself for the re- appointment of next term. The Board appreciated for the valuable contribution of Dr. Somnath ghosh as Independent director of the company throughout his director ship for the valuable advice he made from time to time to the management

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Chandrasekharan Bhaskar (DIN 00003343) was appointed as an Additional Director in the category of Non-executive Independent Director w.e.f. 12<sup>th</sup> May, 2016 and he holds office as such up to the date of ensuing Annual General Meeting. Shri Chandrasekharan Bhaskar (DIN 00003343) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has received requisite notice in writing from a member proposing his candidature as an Independent Director at the ensuing Annual General Meeting. Your Board based on the recommendation of the Nomination and Remuneration Committee recommends appointment of Shri Chandrasekharan Bhaskar (DIN 00003343) as Independent Director not liable to retire by rotation for a period of 5 (Five) years.

### **DECLARATION BY INDEPENDENT DIRECTORS**

Necessary declarations have been obtained from all the Independent Directors under sub-section (7) of Section 149 of the Companies Act, 2013.

### **KEY MANAGERIAL PERSONNEL**

Shri Satish Patel, Company Secretary of the Company resigned w.e.f 19.08.2015 and in place of him Smt. Priyanka Gupta was appointed as Company Secretary w.e.f 04.09.2015

### **MEETINGS**

During the Financial year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS**

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under Chapter IV (17) (10) SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. A structured evaluation process covering various aspects of the Boards functioning such as Composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Managing Director, Whole Time Director and the Non Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected overall engagement of the Board and its Committees with the company.

### **AUDITORS AND AUDITOR REPORT**

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, M/s. Rakesh Kumar & Associates, Chartered Accountants (FRN 002150C) appointed as auditors of the company which was subject to ratification at every Annual general Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the company to be held in the year 2020 on such remuneration as may be fixed by the Board.



The notes on Financial Statements referred to in the Auditors Report are self explanatory and do not call for any further comments.

#### **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 your Directors had, on the recommendation of the Audit Committee, appointed Shri S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) to audit the cost accounts of the Company for the financial year ending 31.03.2017. Resolution seeking Member's ratification for the remuneration payable to Shri S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) is included at Item No. 5 of the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ashish Karodia & Company, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith.

#### **SUBSIDIARY COMPANY**

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 1943.59 Lacs (Previous Year Rs. 1999.19 Lacs) incurred a net loss of Rs 98.79 (Previous Year Rs. 66.79 Lacs) during the year.

Continuous efforts are being made to improve efficiency and inducting value added products in the portfolio.

A Statement containing the salient features of the financial statement of subsidiary as prescribed under the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of The Companies (Accounts) Rules, 2014 is attached and forms part of the Annual Report.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 and Accounting Standard (AS)-21 "Consolidated Financial Statements" the audited Consolidated Financial Statements form part of the Annual Report. The Financial Statements of subsidiary Company has been prepared in the same form and manner as that of the Company.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, Guarantees and Investment in pursuance to Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

#### **STATUTORY INFORMATION**

##### **PUBLIC DEPOSIT**

The company has not received/accepted any deposits from public during the year under review within the meaning of section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014 and there is no overdue unpaid/unclaimed deposit as at 31<sup>st</sup> March, 2016.

##### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and forms part of this report.

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

Information as per section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report.



#### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form No.MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31<sup>st</sup>, 2016 is annexed hereto as Annexure D and forms part of this report.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

#### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its subsidiary.
- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ACKNOWLEDGEMENT**

The Board desires to place on record its grateful appreciation for the excellent assistance and co-operation received and continued support extended to the Company by the bankers, investors, suppliers and esteemed customers and other business associates. Your Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their commitment and continued contribution in the performance of the company.

**Place: Indore**

**Date: 12<sup>th</sup> May, 2016**

**Kriti Industries (India) Ltd**

**CIN L25206MP1990PLC005732**

**Regd. Office: Mehta Chamber, 34 Siyaganj,  
Indore**

**By order of the Board,**

**Shiv Singh Mehta  
Managing Director  
DIN 00023523**



**ANNEXURE-A****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2016.

**A. CONSERVATION OF ENERGY**

1. Steps taken or impact on conservation of energy:
  - a) Energy Conservation measures taken:
    - (i) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.
    - (ii) 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.

**B. TECHNOLOGY ABSORPTION**

1. The efforts made towards technology absorption:
 

The company has through R & D developed processes adopted which helped in reducing the energy consumption.
2. Benefits derived like product improvement, cost reduction, product development or import substitution:
 

With the installation of various additional equipments it was possible to achieve consistency in production and quality of products.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

**C. FOREIGN EXCHANGE EARNING & OUTGO****(Rs. in Lacs)**

	12 Months period ended March, 2016	12 Months period ended March, 2015
1. Earning		
FOB value of Exports	Nil	Nil
2. Outgoing		
a) CIF Value of Imports	5564.52	6620.81
b) Expenditure in Foreign Currency	5.44	4.64

**ANNEXURE -B****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. NO.	Name of Director / KMP & Designation	Remuneration for the FY 2015-16 (Rs. in Lacs)	% increase in Remuneration in the FY 2015-2016	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri Shiv Singh Mehta Managing Director	02.10	157.83%	73.98	Profit after tax Increased by 334.29 % in FY 2015-16
2	Smt. Purnima Mehta Executive Director	44.16	49.80%	32.00	
3	Shri Vinod Kumar Mittal Chief Financial Officer	21.09	33.14%	15.28	
4	Smt. Priyanka Gupta Company Secretary (w.e.f. 04.09.2015)	1.16	New Incumbent	Not Applicable	

- ii) The median remuneration of employees of the Company during the financial year was Rs. 1.38 Lacs
- iii) In the financial year, there was increased of Rs. 0.09 lacs in the median remuneration of employees;
- iv) There were 507 permanent employees on the rolls of Company as on March 31, 2016;
- v) The Profit before Tax for the financial year ended March 31, 2016 Increased by 362.14%
- vi) The company has not come out with public issue. The market capitalisation as on March 31, 2016 was Rs. 163.34 Crore (Rs. 32.24 Crore as on March 31, 2015)
- vii) The variable remuneration of the Managing Director / Whole Time Director as a commission base on profit of the company
- viii) The remuneration based on annual appraisals is paid as per the remuneration policy of the company.


**1. ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES** **ANNEXURE -C**

Sr. No.	Particulars	Details
1	Average net profit of the company for last three financial years	Rs. 672.92 Lacs
2	Prescribed CSR expenditure (Two percent of the amount in Sr. No. 1 above) Prescribed CSR expenditure outstanding for the financial year 2014-15 Total CSR Expenditure	Rs.13.46 Lacs Rs. 15.29 Lacs Rs. 28.75 Lacs
3	a. Total amount to be spent for the financial year b. amount unspent if any c. manner in which the amount spent during the financial year	Rs. 5.75 Lacs Rs. 23.00 Lacs details given below
4	Reason for not spending the amount in its Board's Report	The company has been working on identifying the projects for carrying out CSR activities. The company is now working on projects and the expenditure on these projects shall be accounted for as and when incurred
5	A responsibility of the CSR committee	The implementation and monitoring of Corporate Social Responsibility policy, is in compliance with CSR objectives and policy of the company

**2. MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR**

Sr. No.	CSR Project or Activity identified	Sector in which the project the covered	Project or Programs	Amount Outlay (budget) project or programs wise	Amount spent on (budget) project or programs wise	Amount spent direct or through implementing agency
1.	Promoting Education and other initiatives	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Distribution of books to the needy students & Donation to the IMA for India Reinven-ting growth		Rs. 2.76 Lacs	Direct
2.	Promoting Education and other initiatives	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Scholarship to the Students.		Rs. 0.82 Lacs	Implementing Agency: Sakam Charitable Trust , Indore
3.	Health Care	Clause (i) of Schedule VII of the Companies Act, 2013:- Health Care	Awareness to the public towards Swachh Bharat Abhiyaan		Rs. 0.001 Lacs	DIRECT
4.	Health Care	Clause (i) of Schedule VII of the Companies Act, 2013:- Health Care	Free Ayurvedic camps to the general public.		Rs. 2.16 Lacs	Implementing Agency: Sakam Charitable Trust , Indore
<b>Total</b>					<b>5.75 Lacs</b>	

**Shiv Singh Mehta**  
Chairman  
DIN 00023523

**Purnima Mehta**  
Member  
DIN 00023632

**ANNEXURE-D****Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L25206MP1990PLC005732
Registration Date	12 <sup>th</sup> March, 1990
Name of the Company	Kriti Industries (India) Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Mehta Chambers, 34-Siyaganj, Indore-452007, Tel. No. 0731-2719100
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent if any	Ankit Consultancy Pvt. Ltd , Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452001 Tel. No. 0731-2551745/46

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of Main products/Services	NIC Code of the Product / Service	% to total turnover of the company
1	Pipe	22209	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	Name and Address of The Company	CIN/GLN	Holding /Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Sakam Trading Pvt. Ltd.	U65993MP1986PTC003517	Holding	52.10%	2(46)
2	Kriti Auto & Engineering Plastics Pvt. Ltd.	U25206MP2007PTC019323	Subsidiary	100%	2(87)

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

Category of Shareholders	No. of. Shares held at the beginning of the year				No. of. Shares held at the end of the year				% Change during & the year
	Demat	Physical	Total Share	% of Total Share	Demat	Physical	Total Share	% of Total Share	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	2304847	-	2304847	4.65	2304847	-	2304847	4.65	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	30312931	-	30312931	61.11	30312931	-	30312931	61.11	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>32617778</b>	<b>-</b>	<b>32617778</b>	<b>65.76</b>	<b>32617778</b>	<b>-</b>	<b>32617778</b>	<b>65.76</b>	<b>0.00</b>



Category of Shareholders	No. of. Shares held at the beginning of the year				No. of. Shares held at the end of the year				% Change during & the year
	Demat	Physical	Total Share	% of Total Share	Demat	Physical	Total Share	% of Total Share	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	32617778	-	32617778	65.76	32617778	-	32617778	65.76	0.00
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1600	-	1600	0	1600	-	1600	0	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	1600	-	1600	0	1600	-	1600	0	0.00
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	1517284	17600	1534884	3.09	1178481	17600	1196081	2.41	0.68
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4997925	3135280	8133205	16.40	4685816	3029680	7715496	15.55	0.85
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7229901	-	7229901	14.58	7760837	-	7760837	15.65	1.07
c) Others (NRI & OCB)	77052	-	77052	0.16	303433	-	303433	0.61	0.45
d) Other (Clearing Member)	9100	-	9100	0.02	8295	-	8295	0.02	0.00
<b>Sub-total (B)(2):-</b>	13831262	3152880	16984142	34.24	13936862	3047280	16984142	34.24	0.00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	13832862	3152880	16985742	34.24	13938462	3047280	16985742	34.24	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total(A+B+C)</b>	<b>46450640</b>	<b>3152880</b>	<b>49603520</b>	<b>100</b>	<b>46556240</b>	<b>3047280</b>	<b>49603520</b>	<b>100</b>	<b>0.00</b>


**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during & the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged encumbered to total shares	
1	Sakam Trading Pvt. Ltd.	25843673	52.10	0.00	25843673	52.10	0.00	0.00
2	Chetak Builders Pvt. Ltd.	4469258	9.01	0.00	4469258	9.01	0.00	0.00
3	Shri Shiv Singh Mehta	2028799	4.09	0.00	2028799	4.09	0.00	0.00
4	Smt. Purnima Mehta	125592	0.25	0.00	125592	0.25	0.00	0.00
5	Smt. Raj Kumari Kothari	83280	0.17	0.00	83280	0.17	0.00	0.00
6	Smt. Devki Mehta Hirawat	36736	0.07	0.00	36736	0.07	0.00	0.00
7	Shri Saurabh Singh Mehta	30440	0.06	0.00	30440	0.06	0.00	0.00
	Total	32617778	65.76	0.00	32617778	65.76	0.00	0.00

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

Sr. No		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	32617778	65.76	32617778	65.76
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3.	At the End of the year	32617778	65.76	32617778	65.76

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Praveen Kumar Kasliwal Raja Bahadursingh Kasliwal	1032990	2.08	1023396	2.06
2	Bhavesh Shah Dhiresh Bhai Shah	922160	1.86	922160	1.86
3	Chartered Finance And Leasing Limited	747397	1.51	747397	1.51
4	Rahul Chandrasingh Mehta Chandrasingh Mehta	673958	1.36	683958	1.38
5	Jyoti Kasliwal Praveen Kasliwal	671940	1.35	662137	1.33
6	Rajeev Jawahar	0.00	0.00	503920	1.02
7	Kamlaben Babulal Jain	474680	0.96	474680	0.96
8	Varsha Bhavesh Shah Bhavesh Dhiresh Bhai Shah	468992	0.95	468992	0.95
9	Sheetal Rahul Mehta Rahul Mehta	416000	0.84	416000	0.84
10	Sandeep Bipin ChandraJhaveri Bipin Chandra Jhaveri	0.00	0.00	406676	0.82

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

Sr. No	For Each of Director And KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Shiv Singh Mehta, Managing Director	2028799	4.09	2028799	4.09
2	Smt. Purnima Mehta, Whole-time Director	125592	0.25	125592	0.25
3	Dr. S.S. Kothari, Director	-	-	-	-
4	Shri Rakesh Kalra, Independent Director	-	-	-	-
5	CA Manoj Fadnis, Independent Director	-	-	-	-
6	Dr. Somnath Ghosh, Independent Director	-	-	-	-
7	Shri Vinod Kumar Mittal, Chief Financial Officer	5	0.00	5	0.00
8	Smt. Priyanka Gupta, Company Secretary & Compliance Officer	-	-	5	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4422.49	357.34	NIL	<b>4779.83</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4422.49</b>	<b>357.34</b>	<b>NIL</b>	<b>4779.83</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	534.54	1138.86	NIL	<b>1673.40</b>
Reduction	494.23	0.00	NIL	<b>494.23</b>
<b>Net Change</b>	<b>40.31</b>	<b>1138.86</b>	<b>NIL</b>	<b>1179.17</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4462.80	1496.20	NIL	5959.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4462.80</b>	<b>1496.20</b>	<b>NIL</b>	<b>5959.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	Name of MD/TWD /Manager		Total Amounts
		Shri Shiv Singh Mehta (MD)	Smt. Purnima Mehta (WHD)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	18.00	48.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.00	4.50	10.50
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-			
	- as % of profit	62.50	19.50	82.00
	- others, specify	-	-	-
5.	Employer's Provident Fund	3.60	2.16	5.76
	<b>Total (A)</b>	<b>102.10</b>	<b>44.16</b>	<b>156.26</b>





## KRITI INDUSTRIES (INDIA) LIMITED

### B. Remuneration to other directors:

(Rs. in lacs)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Shri Rakesh Kalra	C.A. Manoj Fadnis	Dr. Somnath Ghosh	
	Fee for attending board/committee meetings	0.09	0.09	0.00	0.18
	Total (1)				0.18
2.	Other Non-Executive Directors	Dr. S. S. Kothari			
	Fee for attending board/committee meetings	0.00			0.00
	Total (2)				0.00
	Total (B)=(1+2)				0.18
<b>Total Managerial Remuneration (A+B)</b>					<b>156.44</b>

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in lacs)

S. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Vinod Kumar Mittal, CFO	Smt. Priyanka Gupta, CS	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-taxAct, 1961 (c) Profits in lieu of salary under section17(3) Income-taxAct, 1961	21.09	1.16	22.25
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission- - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>21.09</b>	<b>1.16</b>	<b>22.25</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty Punishment /compounding fees imposed	Authority (RD) NCLT/ COURT)	Appeal made, if any (give details)
<b>COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding			None		

Place: Indore

Date: 12th May, 2016

Kriti Industries (India) Ltd

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyaganj

Indore

By order of the Board

Shiv Singh Mehta

Managing Director

DIN 00023523



## SECRETARIAL AUDIT REPORT FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**KRITI INDUSTRIES (INDIA) LIMITED**

**CIN- L25206MP1990PLC005732**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KRITI INDUSTRIES (INDIA) LIMITED** (hereinafter called the Company) having **CIN- L25206MP1990PLC005732**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KRITI INDUSTRIES (INDIA) LIMITED for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - *Not applicable as the Company has not issued any kind of securities during the period under scrutiny.*
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - *Not applicable as the Company does not have any Employee Stock Option Scheme and Employee Stock Purchase Scheme.*
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - *Not applicable as the Company does not have any listed debt securities.*
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - *Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.*
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - *Not applicable as the Company has not bought back any of its securities during the financial year under review.*
- vi. The laws as are applicable specifically to the Company are as under:
  - a) The Environment (Protection) Act, 1986;
  - b) The Water (Prevention and Control of Pollution) Act, 1974;



- c) The Air (Prevention and Control of Pollution) Act, 1981;
- d) The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008
- e) Factories Act, 1948
- f) Industrial Disputes Act, 1947
- g) The Payment of Wages Act, 1936
- h) The Minimum Wages Act, 1948
- i) The Employees State Insurance Act, 1948
- j) The Employee Provident Fund And Miscellaneous Provision Act, 1952
- k) The Payment of Bonus Act, 1965
- l) The Payment of Gratuity Act, 1972
- m) Contract Labour (Regulation And Abolition) Act, 1970
- n) The Industrial Employment (Standing Orders) Act, 1946.

**Note: Company was not able to spent the prescribed amount towards Corporate Social Responsibility till date of this report.**

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements/ Regulations entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

1. The Members have accorded their consent to the Board of Directors at the Annual General Meeting held on September 24, 2015 for the following:-
  - a. to appoint Mrs. Purnima Mehta as Director liable to retire by rotation without change in other terms and conditions and remuneration.
  - b. to ratify the remuneration of Mr. S.P.S Dangj, Cost Accountant (FRN 100004), cost auditors of Company appointed by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31.03.2016 on a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only).

**For : Ashish Karodia & Company**

Company Secretary

**CS Ashish Karodia**

M No. 6549 CP No. 6375

**Place : Indore**

**Date : 12<sup>th</sup> May 2016**



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The **Kriti Industries (India) Limited (Kriti)** is committed to the adoption of best governance practices. The company's vision document spells out a direction for the policies and procedures which ensure long terms Sustainability. Value creation for stakeholders is thus a continuous endeavor at Kriti.

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 harmony with this philosophy, the Company relentlessly strives for excellence by benchmarking itself with esteemed companies with good corporate governance.

In harmony with this philosophy, the Company relentlessly strives for excellence by bench marking itself with esteemed companies with good corporate governance. Your company is compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchange as well as the SEBI (LODR) Regulations, 2015 as applicable to the Company since 1<sup>st</sup> December, 2015

The details of compliance are as follows:

#### 1. The Governance Structure:

Kriti's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

**(i) The Board of Directors** - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed.

**(ii) Committees of Directors** - such as Audit Committee, Nomination & Remuneration Committee, CSR Committee are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities.

**(iii) Executive Management** – The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels

#### 2. BOARD OF DIRECTORS

##### A. Composition of Board

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of corporate financial year 2015-16, the total Board consists of Six (6) directors, out of which for (4) are non-executive directors and out of the four (4) non-executive directors three (3) are independent Director.

The composition of the Board of directors and the number of Board Committee in which they are chairman/ member as on 31<sup>st</sup> March, 2016 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
<b>Shri Shiv Singh Mehta</b>	Promoter & Managing Director	Two	One	Three
<b>Smt. Purnima Mehta</b>	Promoter & Non-Executive Director	One	One	Three
<b>CA Manoj Fadnis</b>	Independent & Non-Executive Director	One	Two	Two
<b>Shri Rakesh Kalra</b>	Independent & Non-Executive Director	Five	One	Four
<b>Dr. S.S. Kothari</b>	Non-Executive Director	Two	One	Two
<b>Dr. Somnath Ghosh*</b>	Independent & Non-Executive Director	One	NIL	Three



**\*The Term of Dr. Somnath Ghosh as Independent Director expired on 31<sup>st</sup> March, 2016 and did not offer himself for re-appointment.**

During the year under review, Five (5) 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 20<sup>th</sup> May, 2015, 11<sup>th</sup> August, 2015, 04<sup>th</sup> November, 2015, 14<sup>th</sup> February, 2016 & 12<sup>th</sup> March, 2016.

**B. Selection and Appointment/Reappointment of Director:**

The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time.

**C. Meetings, agenda and proceedings etc. of the Board Meeting**

Director attendance record of Board meetings and last Annual General Meeting are as under:

Name of Directors	No. of Board Meeting held during the year	No. of Board Meeting Attended	Attendance at the last AGM held on 24 <sup>th</sup> September, 2015
Shri Shiv Singh Mehta	5	5	Yes
Dr. S.S. Kothari	5	1	No
Smt. Purnima Mehta	5	5	Yes
CA Manoj Fadnis	5	5	Yes
Dr. Somnath Ghosh	5	1	No
Shri Rakesh Kalra	5	5	Yes

**D. Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 4<sup>th</sup> November, 2015 to review the performance of Non-independent Directors (including the Chairman) and the entire Board.

**E. Agenda:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board, Committees and Subsidiaries for the information of the Board.

**F. Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings.

**G. Board Evaluation:**

During the year, the Board started a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

**H. Code of Conduct:**

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

**I. Prevention of Insider Trading Code:**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The trading window is closed during the time of declaration of results and occurrence of



any material events as per the code. The Company has appointed Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code..

**J. Disclosure of Relationship between Directors inter-se:**

Name	Relationship	Name of other Directors in Inter-se relationship
Shri Shiv Singh Mehta	Spouse	Smt. Purnima Mehta
Shri Shiv Singh Mehta	Son in law	Dr. S.S. Kothari
Smt. Purnima Mehta	Spouse	Shri Shiv Singh Mehta
Smt. Purnima Mehta	Daughter	Dr. S.S. Kothari
Dr. S.S. Kothari	Father	Smt. Purnima Mehta
Dr. S.S. Kothari	Father in law	Shri Shiv Singh Mehta

**K. No. of Shares held By Non- Executive Director**

Name of the Director	Designation
CA Manoj Fadnis	-
Dr. Somnath Gosh	-
Shri Rakesh Kalra	-
Dr. S.S. Kothari	-

**L. Web Link: [kiil.kritiindia.com](http://kiil.kritiindia.com)**

**3. AUDIT COMMITTEE**

**(a) Terms of reference:**

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The Company Secretary acts as secretary to the committee.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with the Stock Exchanges.

**(b) Constitution and Composition:**

The Audit Committee of the Company as on 31<sup>st</sup> March, 2016 comprises of the following Directors of the Company.

Name of the Director	Designation
CA Manoj Fadnis	Chairman
Shri Rakesh Kalra	Member
Smt. Purnima Mehta	Member

Two out of three members of the audit committee are Non-Executive Independent Directors.

**(c) Meeting and attendance during the year:**

Four (4) meetings were held during the financial year 2015-16 on 20<sup>th</sup> May 2015, 11<sup>th</sup> August 2015, 04<sup>th</sup> November 2015 and 14<sup>th</sup> February 2016. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
CA Manoj Fadnis	4
Shri Rakesh Kalra	4
Smt. Purnima Mehta	4



## KRITI INDUSTRIES (INDIA) LIMITED

CA Manoj Fadnis, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholders queries.

### 4. NOMINATION & REMUNERATION COMMITTEE

#### (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) Composition:

The Remuneration Committee of the Company as on 31<sup>st</sup> March, 2016 comprises of the following Directors of the Company.

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

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

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

CS Priyanka Gupta, Company Secretary acts as the Secretary to the Committee

#### (c) Meeting and attendance during the year:

One (1) meeting was held during the financial year 2015-16 on 12<sup>th</sup> March 2016. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Rakesh Kalra	1
CA Manoj Fadnis	1
Dr. Somnath Ghosh	-

#### (d) Performance Evaluation for Independent Directors:

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors.

#### (e). Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

#### Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. Detailed hereunder:

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies Managerial Remuneration Rule, 2014;
- The company is not having any Pecuniary relationship of transaction with Non- Executive director

#### Details of Remuneration to Managing Director, Executive Director & Non- Executive Director:

The terms of remuneration of Shri Shiv Singh Mehta, Managing Director and Smt. Purnima Mehta, Executive Director was approved by the shareholders of the company.

During the financial year 2015-16, the particulars of remuneration paid to Managing Director & Whole-time Director is as under: -

Name of the Director	Salary	Perquisites	Commission	Stock option Details	Period of Contract
Shri Shiv Singh Mehta	33.60	6.00	62.50	NIL	3 Years starting from 1st October 2013
Smt. Purnima Mehta	20.16	4.50	19.50	NIL	5 Years starting from 1st July 2011




**Remuneration/Sitting fee to Other Non Executive Directors:**

The details of sitting fee paid to each of the other non executive/Independent Directors during the year 2015-16 ended on 31<sup>st</sup> March, 2016 are given below:

(Rs. in lacs)			
Name	Sitting Fees	Other Payment	Total
Shri Rakesh Kalra	0.09	-	0.09
CA Manoj Fadnis	0.09	-	0.09
Dr. Somnath Ghosh	0.00	-	0.00

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

a) In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The "Stakeholders' Relationship Committee" consisting of::

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

b) CS Priyanka Gupta, acts as Secretary of the committee.

c) Share holder Compliant Status during the financial year 2015-16:

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
33	33	0

**6. CORPORATE SOCIAL RESPONSIBILITY**

As required under section 135 of the Companies Act, 2013 the company has framed Corporate Social Responsibility Committee (CSR Committee) consisting of the following members:

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

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the CSR Policy.

**7. MD CERTIFICATION**

The MD have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**8. 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	Special Resolutions	Special Resolutions through postal ballot
2014-2015	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	24 <sup>th</sup> September, 2015	2:00 PM	No	No
2013-2014	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	25 <sup>th</sup> September, 2014	2:00 PM	Two	No
2012-2013	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	14 <sup>th</sup> September, 2013	4:00 PM	One	No

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process



## 9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in following newspapers. These results are simultaneously posted on the website of the Company at [kiil.kritiindia.com](http://kiil.kritiindia.com) and also uploaded on the website of the BSE Ltd.

Quarterly Results	News Paper Publication	Displayed in Website
30.06.2015	Naidunia, Indore & Business Standard, Mumbai	<a href="http://kiil.kritiindia.com">kiil.kritiindia.com</a>
30.09.2015	Naidunia, Indore & Business Standard, Mumbai	<a href="http://kiil.kritiindia.com">kiil.kritiindia.com</a>
31.12.2015	Naidunia, Indore & Business Standard, Mumbai	<a href="http://kiil.kritiindia.com">kiil.kritiindia.com</a>
31.03.2016	Naidunia, Indore & Business Standard, Mumbai	<a href="http://kiil.kritiindia.com">kiil.kritiindia.com</a>

## 10. GENERAL SHAREHOLDER INFORMATION

### (a) Annual General Meeting:

The 26th Annual General Meeting of the Company will be held on Thursday, the 11th August, 2016 at 04:00 P.M. at Corporate Support Center of the company situated at "Chetak Chambers" 4th Floor, 14 R.N.T. Marg, Indore-452001 (M.P.).

### (b) Financial Year: 2016-17 (from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017)

a.	Un-Audited Results for the first quarter ending 30 <sup>th</sup> June, 2016	On or Before 14 <sup>th</sup> August, 2016
b.	Un-Audited Results for the second quarter ending 30 <sup>th</sup> September, 2016	On or Before 14 <sup>th</sup> November, 2016
c.	Un-Audited Results for the Third quarter ending 31 <sup>st</sup> December, 2016	On or Before 14 <sup>th</sup> February, 2017
d.	Un-Audited Results (Audited) for the fourth quarter ending 31 <sup>st</sup> March, 2017	On or Before 30 <sup>th</sup> May, 2017
e.	Annual General Meeting for the year ending 31 <sup>st</sup> March, 2017	Before end of September, 2017

### (c) Book Closure/Record date:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 5<sup>th</sup> August, 2016 to Thursday, 11<sup>th</sup> August, 2016 (both days inclusive) for the Annual General Meeting.

### (d) Interim Dividend and Record Date:

The Board of directors of the Company has declared Interim Dividend @ 18 % (0.18) per share on the equity shares of Rs. 1/- each and has made payment for the same on 31<sup>st</sup> March, 2016.

### (e) Dividend History

The Dividend history for the past 5 years is as under:

Financial Year	Interim Dividend (%)	Final Dividend(%)	Total Dividend(%)	Amount of Dividend (Rs. in Lacs)
2015-16	18	-	18	89.28
2014-15	-	-	-	-
2013-14	-	15	15	74.41
2012-13	-	15	15	74.41
2011-12	-	15	15	74.41

### (f) Listing on Stock Exchange

The Company's shares are traded on BSE.

The Company's shares are presently listed on the Bombay Stock Exchange Limited. The Company has paid annual listing fee for the year 2016-17.

### (g) Stock Code/ Details of Scrip

BSE	:	526423
NSDL & CDSL-ISIN	:	INE479D01038

**(h) 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 2015-16 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2015	7.78	6.00
May, 2015	8.77	5.59
June, 2015	7.00	4.85
July, 2015	10.60	6.03
August, 2015	18.15	8.15
September, 2015	17.72	12.87
October, 2015	18.85	15.75
November, 2015	22.80	15.90
December, 2015	26.00	19.90
January, 2016	39.65	26.00
February, 2016	35.70	25.25
March, 2016	35.35	25.20

**(i) Share Transfer Agent****Ankit Consultancy Pvt. Ltd.**

Plot No. 60, Electronic Complex, Pardeshipura

Indore- 452 010 (M.P)

Tel: 0731-2551745/46, Fax: 0731-4065798

E-mail: ankit\_4321@yahoo.com

**j) 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. Ltd.

**k) Distribution of Shareholding as on 31<sup>st</sup> March, 2016**

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	3888	70.31
1001-2000	887	16.04
2001-3000	242	4.38
3001-4000	255	4.61
4001-5000	42	0.76
5001-10000	102	1.84
10001-20000	43	0.78
20001-30000	20	0.36
30001-40000	13	0.24
40001-50000	5	0.09
50001-100000	9	0.16
100000 Above	24	0.43
<b>Total</b>	<b>5530</b>	<b>100.00</b>


**l) Dematerialisation of Shares & Liquidity**

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

**m) Details of Demat Shares as on 31<sup>st</sup> March 2016**

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2094	42599550	85.88
CDSL	1095	3956690	7.98
<b>Sub-Total</b>	<b>3189</b>	<b>46556240</b>	<b>93.86</b>
Shares in physical form	2341	3047280	6.14
<b>Grand Total</b>	<b>5530</b>	<b>49603520</b>	<b>100.00</b>

**n) Reconciliation of Share Capital Audit:**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

**o) Outstanding Convertible Instruments:**

There are no outstanding warrants or any convertible instruments.

**p) Plant locations of the Company:**

13/1, Tarpura, 75-86, Sector No. -2, Industrial Area, Pithampur, Dist. Dhar (M.P) - 454 775

**q) Address for communication:** The shareholders may address their communication, suggestions, grievances and queries to:

**Ankit Consultancy Pvt. Ltd.**

Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P)

Tel: 0731-2551745/46, Fax: 0731-4065798

E-mail: ankit\_4321@yahoo.com

**11. DISCLOSURES**
**(a) Disclosure regarding materially significant related party transactions:**

None of the transaction with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 39 of Notes on Accounts, forming part of the Annual report.

All related party transactions are negotiated on arms length basis and are intended to further the interest of the company.

**(b) Disclosure of non-compliance by the Company:**

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

**(c) Whistle Blower/Vigil Mechanism Policy:**

The Company has laid down a Whistle Blower Policy/vigil mechanism. The company encourages an open door policy where employees have access to the Head of the business/ function. The company takes cognizance of the complaints made and suggestions given by the employees and others. Complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the company has been denied access to the Audit Committee in this regard.

The policy provides a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud/misconduct through any of the following reporting protocols:

\* E-mail : info@kritiindia.com

\* Written Communication to : Mehta Chamber, 34, Siyaganj, Indore-452 007 (M.P)

**(d) Web links for policies:**

Particular	Web links
Material Event Policy	kiil.kritiindia.com/policies/
Related Party Transaction policy	kiil.kritiindia.com/policies/

**MD / CEO CERTIFICATION**

To,

**The Board of Directors,**

**Kriti Industries (India) Limited**

Dear Sirs

We have reviewed the Financial Statement read with the cash flow statement of **Kriti Industries (India) Limited** for the year **31<sup>st</sup> March, 2016** and that to the best of their knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We further certify that, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

We have indicated to the Auditors and the Audit Committee that there is

1. No significant change in internal control over financial reporting during the year
2. No significant change in accounting policies during the year under review and
3. No instance of any fraud in the company in which the management has any role.

**For: Kriti Industries (India) Limited**

**Shiv Singh Mehta**

**Managing Director**

**DIN 00023523**

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**DECLARATION REGARDING CODE OF CONDUCT**

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

**For : Kriti Industries (India) Ltd.**

**Shiv Singh Mehta**

**Managing Director**

**DIN 00023523**



**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To

The Members of **Kriti Industries (India) Limited**

We have examined the compliance of conditions of Corporate Governance by KRITI INDUSTRIES (INDIA) LIMITED ('the Company'), for the year ended March 31st, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015') for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to 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 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/SEBI Listing Regulations, 2015 as applicable.

We 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 **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

Place : Indore,

Date : May 12<sup>th</sup>, 2016



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

Government of India is pursuing policies of economic reforms. Indian Economy is one of the fastest economy in the world. GDP growth in the range of 7.5 % - 7.6% p.a. Indian Economy will be lead by major investments in agriculture, housing & infrastructure. Growth in all these sectors will create business opportunities for plastic industry in the coming years.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Plastic processing is the pillar of the economy in most of the advanced economies. The per capita consumption of the world is 28 kgs whereas India's is 11 kgs, China is 38 kgs, Brazil is 32 kgs, while USA, Germany, UK, Italy, Spain, Australia, Japan, Korea and Taiwan is over 100 kgs. It can be seen that India's per capita consumption is one of the lowest in Asia, implying that India has a big potential to grow.

The overall Plastics Industry poised for quantum jump in volume as its multipurpose uses in Agriculture, Construction and Infrastructure developments. Government focus on Digital India will flip telecom business in terms of PLB Ducts requirements for telecom operators.

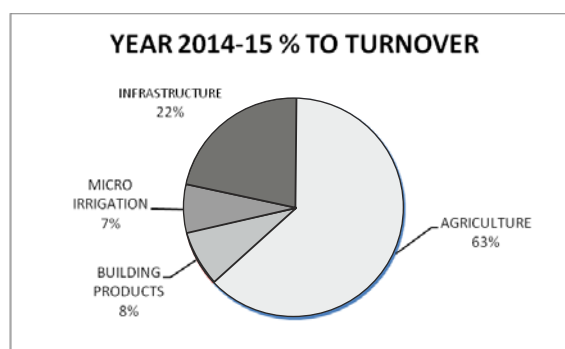
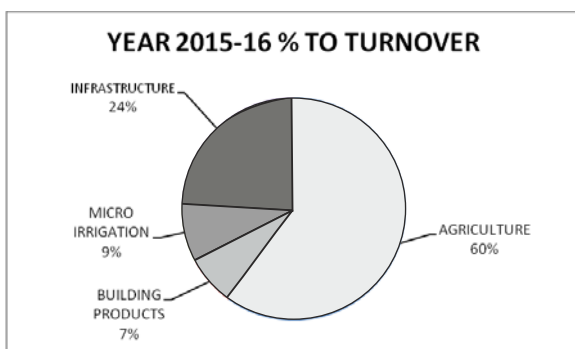
Looking to the growth potentials in overall plastic Industry, company has planned expansions in phases to meet growing demand in the coming years.

### COMPANY VERTICALS & PRODUCTS

The Company is operating under Plastic segment in four verticals namely Agriculture, Building products, Micro irrigation and Infrastructure. The products details of each vertical are as under:

VERTICAL	PRODUCTS
<b>Agriculture</b>	RPVC Pipe & Fittings, Casing pipe, PE coils, Sprinkler systems, Submersible Pipe, Suction, Garden Pipe.
<b>Building products</b>	SWR & Drainage Pipe and Fittings, CPVC and Plumb Pipe and Fittings, Garden Pipe.
<b>Micro irrigation</b>	Micro Irrigation lateral (Inline and Online), Sprinkler systems, RPVC Pipe and Fittings.
<b>Infrastructure</b>	RPVC Ring Fit Pipe (Elastomeric) and Fittings, HDPE and MDPE (PE) Pipes and Fittings, PLB Telecom Duct, Micro Duct.

### VERTICAL WISE SHARE IN TURNOVER FOR THE LAST TWO YEARS.



### OPERATIONAL PERFORMANCE

Company has processed 49010 M.T Plastic as against 37812 M.T in the previous year, reflecting growth of 29.61%. The Net turnover of the company for the year under review was Rs. 462.56 crores as against 362.31 crores in the previous year reflecting growth 27.67%.

Profit before Interest and Depreciation & taxes during the financial year under review have gone up by Rs. 18.25 crores from Rs. 20.69 crores to Rs. 39.21 crores. Net Profit after depreciation and tax was Rs. 11.69 crore in the year as against Rs. 2.69 crores in the previous year showing quantum jump. Performance in the year under review was possible due to stability in raw material prices and inventory management.

### FINANCE

The total finance cost of the company was Rs. 15.85 crores (3.43% to sales) as against Rs. 12.58 crores (3.47% to sales). The interest out go in fund base working capital and term loan was Rs. 5.29 crores and Non fund LC/ BG discounting was Rs. 7.66 crores. Total commission and charges was Rs. 2.89 crores. The corresponding discounted bills payable have been classified as creditors.

Effective average rate of interest on fund base working capital & term loan was 12.49% and non fund base limit was 11.04%. Bank limits varies from month to month as per business volume in peak/lien season.





## KRITI INDUSTRIES (INDIA) LIMITED

Company has undertaken Water tank, RPVC Pipes & Fittings, CPVC and Infrastructure up gradation expansion projects involving capital outlay of Rs. 14.00 crores in Phase I to be financed by Term loan of Rs. 10.00 crore and balance by internal accruals, Company has availed term loan Rs. 8.50 crores during the year. Company has repaid term loan of Rs. 7.93 crores during the year.

### SUBSIDIARY COMPANY

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 1943.59 Lacs (Previous Year Rs. 1999.19 Lacs) incurred a net loss of Rs 98.79 Lacs (Previous Year Rs. 66.79 Lacs) during the year.

Its fortune is linked with automobile industry which is passing through difficult phase. All efforts are being made to cut the losses.

### OPPORTUNITY

Following factors will be opportunities for the Polymer Industry growth:

- ✦ India's projected polymer demand estimated to be 24MMT by 2022/23
- ✦ Expected the per capita consumption of 20 kgs of plastics by the year 2020.
- ✦ Productivity growth to help India sustain >8% growth
- ✦ Government focuses on Infrastructure, Sanitation, Irrigation and Drinking water facilities projects.
- ✦ Digital India/Smart cities projects /Swatch Bharat Abhiyan
- ✦ Upcoming affordable housing projects in rural / urban areas
- ✦ Continuous expanding end use of Plastic products in agriculture, industry & housing.

### RISK AND CONCERNS

- ✦ The industry is highly raw material intensive, with the raw material cost more than 70% of the total cost.
- ✦ The industry relies heavily on imports with associated forex fluctuation risk
- ✦ Supply of Inferior Quality products by un-organized sectors leading to unhealthy competition.
- ✦ Environmental concern and recycling plastic products.

### BUSINESS STRATEGY

Company is on SAP which enables seamless integration of operations and effective analytics help decision making.

In Identified focus markets, company offers need base products with aggressive pitch to strengthen its foot hold in market share. The company continues to expand its reach by appointing distributors in the areas where there is a gap.

New products with Brand supports are being offered through strong Marketing Network of dealers. Company regularly conduct Plumbers Meets and Dealers & Distributors Meets and organizes interactions for exchange of knowledge and information.

Need base CAPEX plans for expansions are being pursued by the company in phases with latest equipments and infrastructure.

Proper manpower training and developing human resources is regular practice to keep ahead in competition.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company follows standard operating procedures (SOP) at Individuals as well as department level. These are periodically reviewed for effective internal controls.

Regular internal audits, monthly compliances are being monitored with plans verses actual achievements. Correction for identified short comings and learning are being taken aggressively for improvements. Periodical Peer reviews are done by internal as well as external experts.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human Resources is considered as key to the future growth strategy of the company and looked upon to focus its efforts to further align human resources policies, processes and initiative to meet its business needs. In order to focus on keeping employees abreast of technological and technical developments, the company provides opportunity for training and learning.

The Directors of your Company deeply appreciate the spirit and commitment of its dedicated team of 507 employees as on 31.03.2016.

### 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.

**Independent Auditors Report to the Members of Kriti Industries (India) Limited**

To,

The Members,

Kriti Industries (India) Limited

34, Siyaganj, Indore (M.P.)

**Report on the Financial Statements:**

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

**Management's Responsibility for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion:**

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



**Report on Other Legal and Regulatory Requirements:**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 27.3 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

Indore

May 12<sup>th</sup>, 2016



## Kriti Industries (India) Limited

### “Annexure A” to the Auditor’s Report

The Annexure referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone financial statements to the members of Kriti Industries (India) Limited for the year ended 31-March 2016, we further report that :

- (i) a. As informed to us, the Company has maintained proper records, on yearly basis, showing full particulars, including quantitative details and situation of fixed assets.
- b. As informed to us, the management of the Company has done physical verification of certain fixed assets at reasonable intervals in accordance with programme of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets and no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company except the title deeds of the land acquired pursuant to the scheme of demerger in earlier year which are pending for registration in the name of the company.
- (ii) As informed to us, the inventory of the Company has been physically verified during the year by the management at reasonable intervals. Discrepancies noticed during the physical verification of stock were not material and have been properly dealt with in the books of accounts of the company.
- (iii) As per information and explanation given to us, the Company has granted unsecured loan to one (1) company covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. In respect of loan granted to the body corporate , the terms and conditions of the loans are prima facie not prejudicial to the interest of the company.
  - b. The terms of arrangement do not stipulate any repayment schedule and also the loan is repayable on demand. The borrower has been regular in the payment of interest as stipulated.
  - c. As there is no specified repayment schedule of the loan granted to the body corporate, the clause (iii) (c) of the order is not applicable to the company.
- (iv) As per information and explanation given to us, the Company has complied all provisions in respect of loans, investment and guarantees covered under section 185 to section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company neither accepted nor invited any deposits from public within the provision of Section 73 to 76 of Companies Act, 2013 and rules made there under.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examinations of the records with a view to determine whether they are accurate or complete.
- (vii) a. According to the information and explanation given to us, the Company has been generally regular in depositing undisputed dues relating to Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2016 for a period of more than 6 months from the date they became payable.
- b. According to the information and explanations given to us, following dues of Income Tax, Sales Tax, Service Tax, duties of Customs , duties of Excise or Value Added Tax has not been deposited on account of any dispute :—

Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in Rs.)
Central Excise	CESTAT , Delhi	2006-07	97000
Central Sales Tax	High Court	2005-06	7238189
Central Sales Tax	High Court	2006-07	1335795
Entry Tax	Appellate Board , Bhopal	2007-08	1808843
Central Excise	CESTAT , Delhi	2007-08, 2008-09	1825043
Central Sales Tax	Appellate Board , Bhopal	2008-09	114553
Central Excise	Commissioner of Central Excise (Appeals)	2008-09 to 2012-13	1688478



Central Excise	Commissioner of Central Excise (Appeals)	2008-09	81000
Central Excise	Commissioner of Central Excise (Appeals)	2008-09 to 2012-13	2712850
Central Excise	CESTAT , Delhi	2008-09, 2009-10, 2010-11	7188000
Central Sales Tax	Appellate Board , Bhopal	2009-10	227206
Income Tax	Commissioner of Income Tax (Appeals)	2009-10	5830530
Central Excise	CESTAT , Delhi	2008-09, 2009-10	6779192
Service Tax	Commissioner of Central Excise (Appeals)	2009-10, 2010-11	1572709
M.P. Commercial Tax	Appellate Board , Bhopal	2009-10	741835
M.P. Commercial Tax	Appellate Board , Bhopal	2009-10	845026
Central Sales Tax	Appellate Board , Bhopal	2010-11	589001
M.P. Commercial Tax	Appellate Board , Bhopal	2010-11	3154351
Central Excise	CESTAT , Delhi	2010-11, 2011-12	472172
Central Sales Tax	Appellate Board , Bhopal	2011-12	1587144
Central Excise	Commissioner of Central Excise (Appeals)	2011-12, 2012-13	7474000
M.P. Commercial Tax	Appellate Board , Bhopal	2011-12	4405077
Income Tax	Commissioner of Income Tax (Appeals)	2011-12	9933710
Entry Tax	Deputy Commissioner	2012-13	380439
Central Excise	Commissioner of Central Excise (Appeals)	2012-13	2114692
M.P. Commercial Tax	Deputy Commissioner	2012-13	764646
Income Tax	Commissioner of Income Tax (Appeals)	2012-13	2827610
Central Excise	Commissioner of Central Excise (Appeals)	2013-14	3216800
M.P. Commercial Tax	Deputy Commissioner	2013-14	245924
Central Sales Tax	Deputy Commissioner	2013-14	980894
Central Excise	Commissioner of Central Excise (Appeals)	2014-15 , 2015-16	7517771

- (viii) According to information and explanations given to us by the management and according to the records of the company examined by us, we are of the opinion that the Company has not defaulted in repayment of any loan from Financial Institutions, Banks or debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us and based on documents provided to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. However, term loan availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained.
- (x) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on the company by its officers/employees or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation given to us, and based on documents provided to us, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, and based on document provided to us, all transactions with the related parties are in compliance with section 188 & section 177 of the Companies Act, 2013 where applicable and details of such transactions to the extent required has been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with Directors or Persons connected with him.



(xvi) In our opinion and according to explanations given to us, the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

Indore

May 12<sup>th</sup>, 2016



### **“Annexure B” to the Auditor’s Report**

The Annexure referred to in paragraph 2(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone financial statements to the members of Kriti Industries (India) Limited for the year ended 31 March 2016.

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

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

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and Standards on Auditing, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that :

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

Indore

May 12<sup>th</sup>, 2016





## KRITI INDUSTRIES (INDIA) LIMITED

## Balance Sheet as at 31st March, 2016

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	496.04	496.04
Reserves and Surplus	3	5752.79	4691.17
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1953.07	1418.53
Deferred tax liabilities (Net)	5	791.72	662.71
Other Long term liabilities	6	211.45	202.09
<b>Current Liabilities</b>			
Short-term borrowings	7	3230.00	2407.03
Trade payables	8	7505.92	6966.76
Other current liabilities	9	1191.85	1372.17
Short-term provisions	10	715.41	128.07
<b>Total</b>		<b>21848.25</b>	<b>18344.57</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	5506.84	5059.34
Intangible assets	12	26.61	27.72
Capital work-in-progress		362.59	349.47
Non-current investments	13	778.15	778.15
Long term loans and advances	14	162.22	131.61
Other non-current assets	15	70.13	117.99
<b>Current assets</b>			
Inventories	16	6436.84	6514.26
Trade receivables	17	5231.45	2690.09
Cash and bank balances	18	1019.97	816.92
Short-term loans and advances	19	1656.76	1249.02
Other current assets	20	596.69	610.00
<b>Total</b>		<b>21848.25</b>	<b>18344.57</b>

Significant accounting policies &amp; Notes to the accounts 1 - 43

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M.No. 070906

**Shiv Singh Mehta**

(Managing Director)

DIN 00023523

**Purnima Mehta**

(Executive Director)

DIN 00023632

**V. K. Mittal**

(Chief Financial officer)

**Priyanka Gupta**

(Company Secretary)

**Place: Indore****Date:- 12th May, 2016**

**KRITI INDUSTRIES (INDIA) LIMITED****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2016**

(Rs. in Lacs)

Particulars	Note No.	2015-16	2014-15
Revenue from operations	21	51587.27	39698.19
less: Excise Duty		5331.20	3466.46
		46256.07	36231.73
Other Income	22	169.13	146.31
<b>Total Revenue</b>		<b>46425.20</b>	<b>36378.04</b>
Expenses:			
Cost of materials consumed		36487.69	29527.17
Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade		(86.66)	(252.51)
Employee benefit expense	23	1693.43	1592.38
Financial costs	24	1585.06	1258.58
Depreciation and amortization expense	11-12	404.71	392.80
Other expenses	25	4394.23	3441.64
<b>Total Expenses</b>		<b>44478.46</b>	<b>35960.06</b>
Profit before prior period expenses & tax		1946.74	417.98
Prior Period Expenses ( Excise Duty paid)		15.09	0.00
<b>Profit before tax</b>		<b>1931.65</b>	<b>417.98</b>
<b>Tax expense:</b>			
Current tax		640.00	88.00
Mat Credit		(2.08)	0.00
Excess Provision of Earlier Year Written Back		(4.36)	(5.08)
Deferred tax		129.01	65.70
<b>Profit/(Loss) for the year</b>		<b>1169.08</b>	<b>269.36</b>
<b>Earning per equity share:</b>			
(1) Basic		2.36	0.54
(2) Diluted		2.36	0.54

Significant accounting policies &amp; Notes to the accounts 1 - 43

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**  
Partner  
M.No. 070906

**Shiv Singh Mehta**  
(Managing Director)  
DIN 00023523

**Purnima Mehta**  
(Executive Director)  
DIN 00023632

**V. K. Mittal**  
(Chief Financial officer)

**Priyanka Gupta**  
(Company Secretary)

Place: Indore

Date:- 12th May, 2016



## KRITI INDUSTRIES (INDIA) LIMITED

### Cash Flow As On 31st March 2016

(Rs. in Lacs)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
<b>Net Profit before tax</b>		<b>1931.65</b>		<b>417.98</b>
<b>Adjustments for :</b>				
Depreciation	404.71		392.80	
(Profit)/ Loss on Sale of Fixed Assets	0.00		0.88	
Financial Income	(142.50)		(146.31)	
Financial Expense	1585.06	1847.27	1258.58	1505.95
<b>Cash Operating Profit before working capital changes</b>		<b>3778.92</b>		<b>1923.93</b>
Increase / (Decrease) in Trade Payables	539.18		(4202.45)	
Increase / (Decrease) in Short term Provisions	(46.22)		(261.60)	
Increase / (Decrease) in Other Current Liabilities	(180.32)		15.28	
(Increase) / Decrease in Inventories	77.42		971.49	
(Increase) / Decrease in Trade Receivables	(2541.36)		3093.22	
(Increase) / Decrease in Long term Loans & Advances	(30.60)		(16.65)	
(Increase) / Decrease in Other Non Current Assets	47.86		(54.10)	
(Increase) / Decrease in Short term Loans & Advances	(407.74)		(284.78)	
(Increase) / Decrease in Other Current Assets	308.90		191.15	
		<b>(2232.88)</b>		<b>(548.45)</b>
<b>Tax Paid</b>		<b>(292.00)</b>		<b>(60.00)</b>
<b>Net Cash From Operating Activities (A)</b>		<b>1254.04</b>		<b>1315.48</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	142.50		146.31	
Sale Proceed Of Fixed Assets (Net)	0.00		9.56	
Purchase of Fixed Assets	(864.24)		(1163.30)	
Investment in Fixed Deposits having maturity of more than three months	(199.94)		(3.96)	
(Increase) / Decrease in Non Current Investment	0.00		(1.00)	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(921.68)</b>		<b>(1012.39)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	1150.00		1392.00	
Repayment of Long Term Borrowings	(615.46)		(641.36)	
Net Increase / (Decrease) in Long Term Borrowings	534.54		750.64	
Increase / (Decrease) in Other Long Term Liability	9.36		18.56	
Increase / (Decrease) in Short Term Borrowings	822.97		260.99	
Dividend Paid on Equity Shares	(89.28)		(74.41)	
Dividend Distribution Tax Paid	(18.18)		(12.07)	
Financial Expenses	(1585.06)		(1258.58)	

**KRITI INDUSTRIES (INDIA) LIMITED****Cash Flow As On 31st March 2016**

(Rs. in Lacs)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Amount	Amount	Amount	Amount
Net Cash Used In Financing Activities (C)		(325.65)		(314.87)
Net Decrease In Cash and Cash Equivalents (A + B + C)		6.17		(11.78)
Add : Cash and Cash equivalents - Opening - 1st April		2.15		13.93
Cash and cash equivalents - Closing - 31st March		8.86		2.15

**FOOTNOTE TO CASH FLOW STATEMENT:****1. Components of Cash and Cash Equivalents are produced as under:**

(Rs. in Lacs)

Particulars	2015-16	2014-15
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	4.96	0.71
Cash on hand	3.90	1.44
<b>Total of Cash &amp; Cash Equivalent</b>	<b>8.86</b>	<b>2.15</b>

(Rs. in Lacs)

**2. Reconciliation of Cash and Cash Equivalents with Cash and Bank as per the Balance Sheet Balances:**

Particulars	2015-16	2014-15
Cash and cash equivalents as above	8.86	2.15
Add : Other Cash and Bank Balances		
Unpaid Dividend	13.55	17.15
Fixed Deposit account maturity more than 3 month & less than 12 month	997.56	797.62
<b>Cash and Bank Balances classified as Current (Refer Note No. 18)</b>	<b>1019.97</b>	<b>816.92</b>

Significant accounting policies &amp; Notes to the accounts 1 - 43

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M.No. 070906

**Shiv Singh Mehta**

(Managing Director)

DIN 00023523

**Purnima Mehta**

(Executive Director)

DIN 00023632

**V. K. Mittal**

(Chief Financial officer)

**Priyanka Gupta**

(Company Secretary)

**Place: Indore****Date:- 12th May, 2016**

**NOTES - 1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2016**

Kriti Industries (India) Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 12.03.1990 and having its Registered office in Indore (MP). The company's shares are listed in the Bombay Stock Exchange(BSE)

**1.2. Significant Accounting Policies****1.2.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. GAAP Comprises mandatory accounting Standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

**1.2.2 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.

**1.2.3 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.

**Tangible Assets**

Depreciation is provided on the straight-line method ('SLM') as per the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. Depreciation on addition has been charged from the 1<sup>st</sup> day of the next month of addition.

Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

**Intangible Assets**

Intangible assets are stated at acquisition cost less accumulated amortization. Amortization is provided on straight line method (S.L.M.) over the useful life of six years of the asset.

**1.2.4 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.

**1.2.5 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.

**1.2.6 Inventories**

**1. Stores and Spares parts, etc:** At Cost, with moving average price on FIFO basis

**2. Raw materials:** At cost, with moving average price on FIFO basis.

**3. Finished Goods:** At estimated cost or net realizable value (whichever is lower)

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

**1.2.7 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.



### 1.2.8 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 Statement of Profit & Loss.

### 1.2.9 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/ forward contract booked (if any) 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 Statement of Profit and Loss for the year.

### 1.2.10 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 as specified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of the Companies (Accounts) Rules, 2014.

### 1.2.11 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternative Tax (MAT). 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.

### 1.2.12 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.

### 1.2.13 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.

**KRITI INDUSTRIES (INDIA) LIMITED****NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss**

(Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE NO. 2 SHARE CAPITAL</b>		
<b>2.1 AUTHORIZED</b>		
2.1.1 80000000 Equity Shares of Re. 1/- each	800.00	800.00
2.1.2 2000000 Optional convertible Preference Shares of Rs. 10/- each	200.00	200.00
<b>2.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
2.2.1 49603520 equity shares of Rs 1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
2.2.2 Reconciliation of shares		
2.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each	496.04	496.04
2.2.2.2 Issued during the year	0.00	0.00
2.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	496.04	496.04
The company has issued only one class of shares referred to as equity shares having a par value of Rs. 1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
<b>2.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>2.3.1 SAKAM TRADING PRIVATE LIMITED</b>		
No. of Shares	25843673	25843673
Percentage of Shares	52.10%	52.10%
Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt. Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd.and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt.Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.12 of Kriti Industries (I) Ltd.		
<b>2.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
No. of Shares	4469258	4469258
Percentage of Shares	9.01%	9.01%
<b>NOTE NO. 3 RESERVES &amp; SURPLUS</b>		
<b>3.1 RESERVES</b>		
<b>3.1.1 General Reserve</b>		
3.1.1 Opening Balance	2700.00	2600.00
3.1.2 Add: Transfer from P&L	200.00	100.00
3.1.3 Closing Balance	<b>2900.00</b>	<b>2700.00</b>
<b>3.2 SHARE PREMIUM ACCOUNT</b>		
3.2.1 Opening Balance	466.14	466.14
3.2.2 Add: Transfer from P&L	0.00	0.00
3.2.3 Closing Balance	<b>466.14</b>	<b>466.14</b>
<b>3.3 Contingency Reserve</b>		
3.3.1 Opening Balance	75.00	75.00
3.3.2 Add: Transfer from P&L	0.00	0.00
3.3.3 Closing Balance	<b>75.00</b>	<b>75.00</b>
<b>3.4 SHARE FOREFEITURE ACCOUNT</b>		
3.4.1 Opening Balance	2.73	2.73
3.4.2 Add: Transfer from P&L	0.00	0.00
3.4.3 Closing Balance	2.73	2.73



# KRITI INDUSTRIES (INDIA) LIMITED

## NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss

(Rs. in Lacs)

Particulars					As at 31.03.2016	As at 31.03.2015
<b>3.5 SURPLUS</b>						
3.5.1 Statement of Profit & Loss						
3.5.1.1 Opening Balance					1447.30	1315.68
3.5.1.2 Less Carrying amount of Assets whose remaining useful life is Nil as per Schedule II of Companies Act, 2013					0.00	37.74
3.5.1.3 Add Profit & Loss during the period					1169.08	269.36
					<b>2616.38</b>	<b>1547.30</b>
<b>Less:</b>						
3.5.2 Interim Dividend @ Rs. 0.18 per share (Previous year Rs.Nil per share)					89.28	0.00
3.5.3 Corporate Dividend Tax					18.18	0.00
3.5.4 Transferred to General Reserve					200.00	100.00
3.5.5 Transferred to Contingency Reserve					0.00	0.00
<b>Balance in Surplus</b>					<b>2308.92</b>	<b>1447.30</b>
<b>Total</b>					<b>5752.79</b>	<b>4691.17</b>
<b>NOTE NO. 4 LONG TERM BORROWINGS</b>						
<b>4.1 TERM LOAN</b>						
<b>( Installment due within 12 months shown in Current Liabilities )</b>						
<b>4.1.1 SECURED</b>						
<b>4.1.1.1 From Banks (Term of Repayments of Long Term Borrowings)</b>						
Particulars	Total tenure	No of Installment Payable as on 31.03.2016	Last Installment due on	Rate of Interest	As at 31.03.2016	As at 31.03.2015
IDBI Bank Ltd.	20 Quarterly Installment	16	1st June, 2020	13.75%	412.00	317.00
Bank of India	17 Quarterly Installment	1	30th June, 2016	14.00%	0.00	37.13
State Bank of Hyderabad	20 Quarterly Installment	12	31st March, 2019	13.05%	199.83	299.82
COSMOS Bank	60 Monthly Installment	42	30th September, 2019	12.50%	591.24	764.58
HDFC Bank Ltd.	32 Quarterly Installment	32	31st March, 2022	11.50%	750.00	0.00
<b>Total</b>					<b>1953.07</b>	<b>1418.53</b>
( Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director )						
<b>NOTE NO-5 DEFERRED TAX LIABILITY NET</b>						
5.1 Deferred Tax Liability (Net)						
On account of tax effects on timing difference arising due to difference in Depreciation					791.72	662.71
<b>Total</b>					<b>791.72</b>	<b>662.71</b>
<b>NOTE NO -6 OTHER LONG TERM LIABILITIES</b>						
<b>UNSECURED</b>						
6.1.1 Other Loans and advances (Security Deposit received from dealers)					211.45	202.09
<b>Total</b>					<b>211.45</b>	<b>202.09</b>
<b>NOTE NO -7 SHORT TERM BORROWINGS</b>						
7.1 Loans repayable on Demand						
<b>7.1.1 SECURED</b>						
From banks					1945.25	2251.78
(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 guarantee of Managing director )						
<b>7.1.2 UNSECURED</b>						
7.1.2.1 From banks					1000.00	0.00
7.1.2.2 Inter Corporate Deposit					284.75	155.25
<b>Total</b>					<b>3230.00</b>	<b>2407.03</b>
<b>NOTE NO -8 TRADE PAYABLES</b>						
8.1 Trade Payables					7505.92	6966.76
<b>Total</b>					<b>7505.92</b>	<b>6966.76</b>
<b>NOTE NO -9 OTHER CURRENT LIABILITIES</b>						
9.1 Outstanding Expenses					114.83	130.51
9.2 Statutory Liabilities					498.99	472.33
9.3 Current maturities of Long term debt					564.48	752.18
9.4 Unpaid dividends					13.55	17.15
<b>Total</b>					<b>1191.85</b>	<b>1372.17</b>
<b>NOTE NO -10 SHORT TERM PROVISIONS</b>						
10.1 Provision for Employees Benefits (Bonus)					77.49	40.07
10.2 Provision of Income Tax					637.92	88.00
<b>Total</b>					<b>715.41</b>	<b>128.07</b>





## KRITI INDUSTRIES (INDIA) LIMITED

### KRITI INDUSTRIES (INDIA) LIMITED Schedule II Forming Part of the Balance Sheet and Profit & Loss Accounts (AS PER COMPANIES ACT, 2013)

#### NOTE NO. -11-12 FIXED ASSETS (2015-16)

(Rs. in Lacs)												
NOTE	PARTICULARS	LIFE	GROSS BLOCK			DEPRECIATION					NET BLOCK	NET BLOCK
			01.04.2015	Additions	Deduction	TOTAL	01.04.2015	Accum Dep on Disposal Assets	Adjusted ag. Retain Earnings	For Year		
11	TANGIBLE											
11.1	Land	0	116.88	0.00	0.00	116.88	0.00	0.00	0.00	0.00	0.00	116.88
11.2	Factory Building	30	1102.81	237.12	0.00	1339.93	363.31	0.00	0.00	40.72	0.00	935.90
11.3	Plant & Machinery	25	5811.78	417.32	0.00	6229.10	2065.22	0.00	0.00	200.04	0.00	3963.84
11.4	Testing & Lab Machinery	10	196.91	1.69	0.00	198.60	163.88	0.00	0.00	7.01	0.00	27.71
11.5	Electrical Installation	10	147.22	117.88	0.00	265.10	55.07	0.00	0.00	23.73	0.00	186.30
11.6	Dies & Moulds	6	1320.61	54.05	0.00	1374.66	1061.24	0.00	0.00	103.15	0.00	1164.39
11.7	Vehicles	8	55.50	0.00	0.00	55.50	26.41	0.00	0.00	4.74	0.00	24.35
11.8	Furniture & Fixture	10	77.69	0.26	0.00	77.96	60.96	0.00	0.00	4.74	0.00	12.25
11.9	Office Equipment	5	19.89	7.80	0.00	27.69	9.46	0.00	0.00	4.09	0.00	13.55
11.10	COMPUTER	3	154.58	7.17	42.40	119.35	138.99	42.40	0.00	7.54	0.00	15.21
	TOTAL (11)		9003.87	843.29	42.40	9804.76	3944.54	42.40	0.00	395.76	0.00	4297.90
	Previous Year		8092.99	929.89	19.00	9003.87	3512.89		55.39	384.81	8.56	3944.54
12	INTANGIBLE											
12.1	Software	6	123.81	7.84	0.00	131.65	96.09	0.00	0.00	8.95	0.00	105.04
	TOTAL (12)		123.81	7.84	0.00	131.65	96.09	0.00	0.00	8.95	0.00	105.04
	Previous Year		122.84	0.97	0.00	123.81	87.61		0.49	7.99	0.00	96.09
	GRAND TOTAL (11+12)		9127.68	851.13	42.40	9936.41	4040.63	42.40	0.00	404.71	0.00	4402.94
	Previous Year		8215.83	930.86	19.00	9127.68	3600.50		55.88	392.80	8.56	4040.63
												5533.45
												5087.06
												5087.06
												4615.33



## KRITI INDUSTRIES (INDIA) LIMITED

NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss

( Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE NO. 13 NON- CURRENT INVESTMENT</b>		
13.1.1 National Saving Certificate	0.14	0.14
13.2 Unquoted		
<b>Non Trade Investment in equity instruments</b>		
13.2.1 Sahkari Audhyogik Vasahat Ltd. (1 Share of Rs.500/- each)	0.01	0.01
13.2.2 The Cosmos Co-operative Bank Ltd. (1000 Equity Shares of Rs. 100/- each)	1.00	1.00
<b>Trade Investment in equity instruments</b>		
13.2.3 Kriti Auto Engineering & Plastic Private Limited ( 100% Subsidiary ) (3885000 Shares of Rs.10/- each )	777.00	777.00
<b>Total</b>	<b>778.15</b>	<b>778.15</b>
<b>NOTE NO. 14 LONG TERM LOANS AND ADVANCES</b>		
14.1 Security Deposits	162.22	131.61
<b>Total</b>	<b>162.22</b>	<b>131.61</b>
<b>NOTE NO. 15 OTHER NON CURRENT ASSETS</b>		
15.1 Fixed deposit with banks having maturity more than 12 months	0.13	2.99
15.2 Deposit to wholly owned subsidiary company	70.00	115.00
<b>Total</b>	<b>70.13</b>	<b>117.99</b>
<b>NOTE NO. 16 INVENTORIES</b>		
16.1 Raw Material	1860.81	1804.21
16.2 Finished Goods	4214.16	4127.50
16.3 Stores and Spares & others	361.87	582.55
<b>Total</b>	<b>6436.84</b>	<b>6514.26</b>
<b>NOTE NO. 17 TRADE RECEIVABLES</b>		
17.1 Trade Receivables ( Unsecured considered good ) Over Six months from the date they become due	539.51	438.26
Others	4691.94	2251.83
<b>Total</b>	<b>5231.45</b>	<b>2690.09</b>
<b>NOTE NO. 18 CASH AND BANK BALANCES</b>		
18.1 Cash & Cash Equivalents		
18.1.1 Balances with Banks	4.96	0.71
18.1.2 Cash on hand	3.90	1.44
18.2 Other Bank Balances		
18.2.1 Unpaid dividend	13.55	17.15
18.2.2 Fixed deposit with banks against margin money	997.56	797.62
<b>Total</b>	<b>1019.97</b>	<b>816.92</b>
<b>NOTE NO. 19 SHORT-TERM LOANS AND ADVANCES</b>		
19.1 Unsecured, Considered good	1656.76	1249.02
Advances recoverable in cash or kind or for value to be received		
<b>Total</b>	<b>1656.76</b>	<b>1249.02</b>
<b>NOTE NO.20 OTHER CURRENT ASSETS</b>		
20.1 Sundry Deposits	21.15	23.69
20.2 Advance Tax/ Tax Deducted at source	458.12	137.51
20.3 CENVAT	96.71	412.81
20.4 Accrued Interest/ Income	20.71	35.99
<b>Total</b>	<b>596.69</b>	<b>610.00</b>



## KRITI INDUSTRIES (INDIA) LIMITED

NOTES Forming Part of The Balance Sheet and Statement of Profit &amp; Loss

(Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE NO. 21 REVENUE FROM OPERATIONS</b>		
21.1 Sale of Products	51552.02	39670.21
21.2 Other operating revenues	35.25	27.98
	<b>51587.27</b>	<b>39698.19</b>
21.3 Less : Excise Duty	5331.20	3466.46
<b>Total</b>	<b>46256.07</b>	<b>36231.73</b>
<b>NOTE NO. 22 OTHER INCOME</b>		
22.1 Interest Income	142.50	137.03
22.2 Other Non-operating Income	26.51	9.28
22.3 Excise Duty on Closing Stock	0.12	0.00
<b>Total</b>	<b>169.13</b>	<b>146.31</b>
<b>NOTE NO. 23 EMPLOYEE BENEFITS EXPENSES</b>		
23.1 Salaries & Wages	1276.27	1310.14
23.2 Contribution to provident and other fund	85.68	84.77
23.3 Staff Welfare Expenses	185.22	128.39
23.4 Director Remuneration	140.50	63.32
23.5 P.F on Director Remuneration	5.76	5.76
<b>Total</b>	<b>1693.43</b>	<b>1592.38</b>
<b>NOTE NO. 24 FINANCIAL COST</b>		
24.1 Interest Expenses	1295.44	983.37
24.2 Other Borrowing Cost	289.62	275.21
<b>Total</b>	<b>1585.06</b>	<b>1258.58</b>
<b>NOTE NO. 25 OTHER EXPENSES</b>		
(I) Manufacturing Expenses		
25.1 Stores and Spares Consumed	314.80	290.70
25.2 Power Charges	1302.58	967.52
25.3 Freight & Cartage	468.45	233.16
25.4 Repairs & Maintenance	81.93	43.46
25.5 Insurance Charges	29.61	29.71
25.6 Water Charges	17.11	17.32
25.7 Loss on Sale of Fixed asset	0.00	0.88
25.8 Loss on Insurance Claim Received	0.00	83.52
25.9 Excise Duty on Closing Stock	0.00	390.63
25.10 Miscellaneous Manufacturing Expenses	96.60	49.65
<b>Sub Total (I)</b>	<b>2311.08</b>	<b>2106.55</b>
(II) Administrative Expenses		
25.11 Stationery & Printing	5.98	3.50
25.12 Computer Expense	12.52	7.78
25.13 Rent, Rates and Taxes	75.94	86.03
25.14 Postage, Telegram and Telephones	25.40	24.90
25.15 Auditor's Fees	2.00	2.00
25.16 Conveyance Expenses	69.54	62.39
25.17 Legal & Professional Charges	69.85	67.37
25.18 Miscellaneous Expenses	51.43	53.40
25.19 Director's Meeting Fee	0.18	0.12
25.20 Net loss on foreign currency transactions	15.18	32.03
25.21 Corporate Social Responsibility	5.75	0.87
<b>Sub Total (II)</b>	<b>333.77</b>	<b>340.39</b>
(III) Selling & Distribution Expenses		
25.22 Advertisement & Publicity	3.20	2.91
25.23 Sales Promotion Expenses	149.37	162.82
25.24 Brokerage & Commission	26.28	23.54
25.25 Service Charges	190.39	100.45
25.26 Freight Outward	1105.24	529.26
25.27 Sales Tax & Octroi	8.32	0.32
25.28 Travelling Expenses	166.38	168.99
25.29 Bad debts	100.20	6.41
<b>Sub Total (III)</b>	<b>1749.38</b>	<b>994.70</b>
<b>TOTAL ( I+II+III )</b>	<b>4394.23</b>	<b>3441.64</b>



- 26 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.

**27. Contingent liabilities**

- 27.1 Estimated amount of contracts remaining to be executed on Capital Account Rs.76.01 Lacs net of advance given (Previous Year Rs. 23.62 lacs)
- 27.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.2232.91 Lacs (Previous Year Rs. 2149.61 lacs.)
- 27.3 Claims not acknowledge by the company on Commercial tax matters Rs 244.19 Lacs (Previous Year 255.89 Lacs).
28. Company's Income tax assessments have been completed up to Assessment year 2013-14. Income Tax Dept. has raised a demand of Rs. 28.28 Lacs for A.Y 2013-14, 176.41 lacs for A.Y.2012-13 and Rs.133.07 lacs for A.Y.2011-12 respectively against which company has filed appeal before Higher Authorities. Company has not made any provision against such demand and shall be dealt with in books when crystallized finally. In the opinion of Board of Director's provision made for the year for Income Tax is adequate.

**29. Remuneration Paid/Payable to Managing Director / Executive Director**

(Rs. In Lacs)

Paid / Payable	Current Year	Previous year
Remuneration	64.26	64.26
Commission	82.00	4.82

30. Unpaid overdue amount due on March 31, 2016 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.
30. The amount of Foreign Exchange Gain/ (Loss) included in the statement of profit & loss is Rs.88.71 Lacs as gain (Previous Year Gain Rs. 129.73 Lacs). Current year gain included in Other Income & Previous Year Gain amount is included in Other Income.
31. The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is Rs.(15.18) lacs (Previous Year gain/ (loss) Rs. (32.03) lacs).

**32. Corporate Social Responsibility**

(Rs. in Lacs)

Particulars	2015-16	2014-15
Amount required to be spent	13.46	16.16
Amount spent during the year	5.75	0.87

33. During the year ended 31.03.2016 excise duty on closing stock amounting to Rs. (-) 0.12 Lacs is net off excise duty on opening stock (Rs.390.51 Lacs minus Rs.390.63 ).Consequently the change in Inventories of finished goods, work-in-progress and stock-in-trade & other expenses are reduced to that extent, instead of grossing of stocks & Expenses. There is no impact on year ended results due to this change.
34. During the year Company paid Rs. 75 Lacs towards Excise Duty which includes Rs. 15.09 Lacs for earlier years on account of rate difference between fixed rate contract and dispatch value to depots/dealers due to observations made by DGCEI in its inspection to avoid any litigation on this account.
35. The disclosure required as per Accounting Standard (AS) 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 ( The Act ) read with rule 7 of the Companies ( Accounts ) Rules, 2014., 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. in Lacs)

(b) Table showing changes in present value of obligations as on	31/03/2016	31/03/2015
Present value of obligations as at beginning of the year	112.31	98.19
Interest Cost	8.99	7.85



## KRITI INDUSTRIES (INDIA) LIMITED

	Current Service Cost	17.04	15.48
	Benefit Paid	(6.72)	(4.66)
	Actuarial (gain)/loss on obligations	0.75	(4.55)
	Present Value obligations as at end of the year	132.37	112.31
<b>(c)</b>	<b>Table showing changes in the fair value of plan assets as on</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
	Present value of obligations as at beginning of the year	139.67	83.74
	Expected return on plan assets	12.30	9.59
	Contribution	6.91	51.00
	Benefit Paid	(6.72)	(4.66)
	Actuarial gain/(loss) on plan assets	NIL	NIL
	Fair Value of the plan assets at the end of the year	152.16	139.67
<b>(d)</b>	<b>Table showing fair value of plan assets as on</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
	Fair value of plan assets at beginning of the year	139.67	83.41
	Actual return on plan assets	12.30	9.58
	Contribution	6.91	51.00
	Benefit Paid	(6.72)	(4.66)
	Fair Value of the plan assets at the end of the year	152.16	139.67
	Funded status	19.79	(27.35)
	Excess of actual over estimated return on plan assets	NIL	NIL
	(Actual Rate of return = estimated rate of return as ARD falls on 31/03/2016)		
<b>(e)</b>	<b>Actuarial Gain/Loss recognized as on</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
	Actuarial (Gain)/Loss for the year-obligation	(0.75)	4.55
	Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
	Total (Gain)/Loss for the year	0.75	(4.55)
	Actuarial (Gain)/Loss recognized for the year	0.75	(4.55)
<b>(f)</b>	<b>Expenses recognized in statement of profit and loss</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
	Current Service Cost	17.04	15.48
	Interest cost	8.99	7.85
	Expected return on Plan Asset	(12.30)	(9.59)
	Net Actuarial (Gain)/Loss recognized in the year	0.75	(4.55)
	Expenses recognized in the Statement of Profit & Loss	14.47	9.20
<b>(g)</b>	<b>Assumption</b>		
	Discount rate	8%	8%
	Salary Escalation	7%	7%

### 36. DEFERRED TAX CALCULATIONS

(Rs. in Lacs)

Sr. No.	DEFERRED TAX LIABILITY/ (ASSETS)	Current Year	Previous Year
a	Deferred Tax Liability ( Net ) for the year	129.01	47.56
b	Opening Bal. of Deferred Tax Liability	662.71	615.15
c	Closing Bal. of Deferred Tax Liability	791.72	662.71

37. a) The Company has taken various commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.

b) The Company has only one business segment to be reported namely Plastics, as per Accounting Standard-17.

### 38. EARNING PER SHARE

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

Sr. No.	Particulars	Current Year	Previous Year
1	Number of Shares	49603520	49603520
2	Profit contribution for Basic EPS (Rs in lacs)	1169.08	269.36
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	2.36	0.54
5	Diluted Earning Per Share	2.36	0.54
6	Nominal Value Per Share	1.00	1.00



39. In accordance with the Accounting Standard (AS) 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 ( The Act ) read with rule 7 of the Companies ( Accounts ) Rules, 2014. 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 V.K. Mittal, Chief Financial Officer  
Smt. Priyanka Gupta, Company Secretary

**ii. Relatives of Key Management Personnel**

Shri Saurabh Singh Mehta (Son of Managing Director/ Executive Director)  
Smt. Devki Hirawat (Daughter of Managing Director/ Executive Director)

**iii. Subsidiary Company**

1) Kriti Auto & Engineering Plastics Pvt. Ltd (Wholly owned Subsidiary Company)

**iv Companies/entities under the control of Key Management Personnel**

1) Sakam Trading Pvt. Ltd. (Holding Company)  
2) Kriti Nutrients Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)  
3) Chetak Builders Pvt. Ltd. (Subsidiary company of Sakam Trading Pvt. 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)	294.60 (187.24)
2	Sale of Consumable Items	0.25 (NIL)	NIL (NIL)	NIL (NIL)	132.82 (111.13)
3	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.13 (0.29)
4	Purchase of Capital Goods	17.19 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Remuneration	NIL (NIL)	168.51 (79.82)	11.32 (11.36)	NIL (NIL)
6	Rent	1.00 (NIL)	NIL (NIL)	NIL (NIL)	10.38 (10.38)
7	Unsecured Loan Given	183.40 (1102.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	209.00 (281.00)
8	Interest Taken	13.26 (14.25)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9	Interest Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	23.77 (17.27)

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



## KRITI INDUSTRIES (INDIA) LIMITED

### 40. Additional information required under Para (v) of Revised Schedule III of the Companies Act, 2013, is follows: (Rs. in Lacs)

	Particulars	31.03.2016		31.03.2015	
a	Value of Import on C.I.F. basis				
	i. Raw Material	5550.51		6609.64	
	ii. Components & Spare Parts (Chemical)	14.02		11.17	
b	Value of imported consumed and percentage of the total consumption	Value	%	Value	%
	<b>Raw Material</b>				
	i. Imported	6576.97	18.02%	8031.35	27.20%
	ii. Indigenous	29910.72	81.98%	21495.82	72.80%
	<b>Stores</b>				
	i. Imported	16.39	5.21%	12.23	4.21%
	ii. Indigenous	298.41	94.79%	278.47	95.79%
c	Earning in foreign Currency	Nil		Nil	
d	Expenditure in Foreign currency				
	i. Interest	0.99		3.56	
	ii. Others	4.45		1.08	

### 41. Auditor's Remuneration (Rs. in Lacs)

Sr. No.	Auditor's Remuneration	31.03.2016	31.03.2015
a	Statutory Audit Fees / Tax Audit Fees	2.00	2.00
b	Taxation & Other matters including Legal & Professional Expenses.	Nil	0.10

Figures are exclusive of Service Tax

### 42. Detail of Raw Material Consumption and Sales (Rs. in Lacs)

PARTICULARS	CONSUMPTION	PARTICULARS	SALES
<b>RAW MATERIAL</b>		<b>MANUFACTURED PRODUCT</b>	
PLASTIC POLYMERS	31534.17 (26477.85)	PVC/HDPE PIPE/DUCT	43677.39 (33929.89)
OTHERS	4953.52 (3049.32)	PVC FITTING	1967.27 (1901.64)
<b>TOTAL</b>	<b>36487.69</b> <b>(29527.17)</b>	OTHERS	611.41 (400.20)
		<b>TOTAL</b>	<b>46256.07</b> <b>(36231.73)</b>

43. Previous year figures have been reclassified / regrouped wherever necessary.

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**  
Chartered Accountants  
FRN: 002150C

**Rakesh Kumar Gupta**  
Partner  
M.No. 070906

**Shiv Singh Mehta**  
(Managing Director)  
DIN 00023523

**Purnima Mehta**  
(Executive Director)  
DIN 00023632

**V. K. Mittal**  
(Chief Financial officer)

**Priyanka Gupta**  
(Company Secretary)

**Place: Indore**  
**Date:- 12th May, 2016**



## Independent Auditors Report to the Members of Kriti Industries (I) Limited (Consolidated)

To,

The Members,

Kriti Industries (India) Limited

34, Siyaganj, Indore (M.P.)

### Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of **KRITI INDUSTRIES (INDIA) LIMITED** ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at **March 31, 2016**, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting standards and standards on auditing and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at





31st March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding company and its subsidiary as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors of the Group is disqualified as on 31st March, 2016 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 27 (c) to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there was no amount required to be transferred by its subsidiary company to Investor Education and Protection Fund, during the year ended 31<sup>st</sup> March 2016.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

Indore

May 12<sup>th</sup>, 2016



#### **“Annexure A” to the Auditor’s Report**

The Annexure referred to in paragraph 1(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the consolidated financial statements to the members of Kriti Industries (India) Limited for the year ended 31<sup>st</sup> March, 2016.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of **KRITI INDUSTRIES (INDIA) LIMITED** (“the Holding Company”) and its subsidiary company which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Rakesh Kumar & Associates**

Chartered Accountants (FRN: 002150C)

**Rakesh Kumar Gupta**

Partner (M. No: 070906)

Place : Indore

Date : May 12<sup>th</sup>, 2016



## KRITI INDUSTRIES (INDIA) LIMITED

## Consolidated Balance Sheet as at 31.03.2016

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	496.04	496.04
Reserves and Surplus	3	5485.06	4516.92
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1953.07	1418.53
Deferred tax liabilities (Net)	5	872.55	748.85
Other Long term liabilities	6	211.45	202.09
Long term provisions		0.00	0.00
<b>Current Liabilities</b>			
Short-term borrowings	7	3507.54	2704.35
Trade payables	8	7809.74	7346.16
Other current liabilities	9	1239.71	1399.06
Short-term provisions	10	718.63	129.67
<b>Total</b>		<b>22293.79</b>	<b>18961.67</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	6016.02	5618.92
Intangible assets	12	26.61	27.72
Capital work-in-progress		362.59	349.48
Non-current investments	13	2.15	2.15
Long term loans and advances	14	178.48	147.84
Other non-current assets	15	0.13	2.99
<b>Current assets</b>			
Inventories	16	6734.23	6811.22
Trade receivables	17	5669.78	3274.90
Cash and bank balances	18	1032.41	828.31
Short-term loans and advances	19	1664.63	1255.27
Other current assets	20	606.76	642.88
<b>Total</b>		<b>22293.79</b>	<b>18961.67</b>

Significant accounting policies &amp; Notes to the accounts 1 - 33

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**  
Partner  
M.No. 070906

**Shiv Singh Mehta**  
(Managing Director)  
DIN 00023523

**Purnima Mehta**  
(Executive Director)  
DIN 00023632

**V. K. Mittal**  
(Chief Financial officer)

**Priyanka Gupta**  
(Company Secretary)

Place: Indore

Date:- 12th May, 2016

**KRITI INDUSTRIES (INDIA) LIMITED****CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2016**

(Rs. in Lacs)

Particulars	Note No.	2015-16	2014-15
Revenue from operations	21	53530.86	41697.38
less:			
Excise Duty		5553.78	3699.37
		47977.08	37998.01
Other Income	22	171.17	147.25
<b>Total Revenue</b>		<b>48148.25</b>	<b>38145.26</b>
<b>Expenses:</b>			
Cost of materials consumed		37744.21	30773.54
Purchase of Stock in Trade		0.00	0.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(105.96)	(249.09)
Employee benefit expense	23	1844.06	1721.33
Financial costs	24	1659.09	1326.70
Depreciation and amortization expense	11-12	442.28	450.94
Other expenses	25	4716.61	3770.65
<b>Total Expenses</b>		<b>46300.29</b>	<b>37794.07</b>
Profit before prior period expenses & tax		1847.96	351.19
Prior Period Expenses		15.09	0.00
<b>Profit before tax</b>		<b>1832.87</b>	<b>351.19</b>
<b>Tax expense:</b>			
Current tax		640.00	88.00
MAT Credit		(2.08)	0.00
Excess Provision of Earlier Year Written Back		(4.36)	(5.08)
Deferred tax		123.70	59.84
<b>Profit/(Loss) for the year</b>		<b>1075.61</b>	<b>208.43</b>
Earning per equity share:			
(1) Basic		2.17	0.42
(2) Diluted		2.17	0.42

Significant accounting policies &amp; Notes to the accounts 1 - 33

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**  
Partner  
M.No. 070906

**Shiv Singh Mehta**  
(Managing Director)  
DIN 00023523

**Purnima Mehta**  
(Executive Director)  
DIN 00023632

**V. K. Mittal**  
(Chief Financial officer)

**Priyanka Gupta**  
(Company Secretary)

Place: Indore

Date:- 12th May, 2016


**KRITI INDUSTRIES (INDIA) LIMITED  
CONSOLIDATED CASH FLOW AS ON 31.03.2016**
**( Rs. in Lacs)**

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
Net Profit before Tax		1832.87		351.19
Adjustments for :				
Depreciation	442.28		450.94	
(Profit)/ Loss on Sale of Fixed Assets	0.00		0.88	
Financial Income	(171.17)		(147.25)	
Financial Expense	1659.09	1930.20	1326.70	1631.27
<b>Cash Operating Profit before working capital changes</b>		<b>3763.07</b>		<b>1982.46</b>
Increase / (Decrease) in Trade Payables	463.58		(4090.68)	
Increase / (Decrease) in Short term Provisions	(44.60)		(261.42)	
Increase / (Decrease) in Other Current Liabilities	(159.35)		19.22	
(Increase) / Decrease in Inventories	76.99		957.42	
(Increase) / Decrease in Trade Receivables	(2394.88)		2940.02	
(Increase) / Decrease in Long term Loans & Advances	(30.63)		(16.65)	
(Increase) / Decrease in Other Non Current Assets	2.86		30.90	
(Increase) / Decrease in Short term Loans & Advances	(409.36)		(289.50)	
(Increase) / Decrease in Other Current Assets	328.12		170.09	
		<b>(2167.28)</b>		<b>(540.60)</b>
Tax Paid		(292.00)		(60.00)
<b>Net Cash From Operating Activities (A)</b>		<b>1303.79</b>		<b>1381.86</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	171.17		147.25	
Sale Proceed of Fixed Assets (Net)	16.75		9.56	
Purchase of Fixed Assets	(868.15)		(1175.18)	
Investment in Fixed Deposits having maturity of more than 3 months	(197.20)		(5.71)	
(Increase) / Decrease in Non Current Investment	0.00		(1.00)	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(877.43)</b>		<b>(1025.08)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	1150.00		1392.00	
Repayment of Long Term Borrowings	615.46		(641.36)	
Net Increase / (Decrease) in Long Term Borrowings	534.54		750.64	
Increase / (Decrease) in Other Long Term Liability	9.36		18.56	
Increase / (Decrease) in Short Term Borrowings	803.19		275.51	
Dividend Paid on Equity Shares	(89.28)		(74.41)	
Dividend Distribution Tax Paid	(18.18)		(12.07)	
Corporate Social Responsibility	0.00		0.00	
Financial Expenses	(1659.09)		(1326.70)	



## KRITI INDUSTRIES (INDIA) LIMITED

### CONSOLIDATED CASH FLOW AS ON 31.03.2016

(Rs. in Lacs)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Amount	Amount	Amount	Amount
Net Cash Used In Financing Activities (C)		(419.46)		(368.47)
Net Decrease In Cash and Cash Equivalents (A + B + C)		6.91		(11.69)
ADD :Cash and cash equivalents - Opening - 1st April		2.79		14.48
Cash and cash equivalents - Closing - 31st March		9.70		2.79

#### FOOTNOTE TO CASH FLOW STATEMENT:

##### 1. Components of Cash and Cash Equivalents are produced as under:

(Rs. in Lacs)

Particulars	2015-16	2014-15
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	5.42	1.16
Fixed Deposit having original maturity 3 month or less	-	-
Cheques, Draft on hand	-	-
Cash on hand	4.28	1.63
<b>Total of Cash &amp; Cash Equivalent</b>	<b>9.70</b>	<b>2.79</b>

(Rs. in Lacs)

##### 2. Reconciliation of Cash and Cash Equivalents with Cash and Bank as per the Balance Sheet Balances:

Particulars	2015-16	2014-15
Cash and cash equivalents as above	9.70	2.79
<b>Add : Other Cash and Bank Balances</b>		
Unpaid Dividend	13.55	17.15
Fixed Deposit account maturity more than 3 month & less than 12 month	1009.16	808.37
<b>Cash and Bank Balances classified as Current (Refer Note 18)</b>	<b>1032.41</b>	<b>828.31</b>

Significant accounting policies &amp; Notes to the accounts 1 - 33

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M.No. 070906

**Shiv Singh Mehta**

(Managing Director)

DIN 00023523

**Purnima Mehta**

(Executive Director)

DIN 00023632

**V. K. Mittal**

(Chief Financial officer)

**Priyanka Gupta**

(Company Secretary)

Place: Indore

Date:- 12th May, 2016

**NOTE:1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2016****1. Statement of Accounting Policies****(a) Basis of Accounting**

The financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. GAAP Comprises mandatory accounting Standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

**(b) Principles of consolidation**

1 The consolidated financial statements relate to Kriti Industries (India) Limited (company) and its wholly owned subsidiary Kriti Auto & Engineering Plastics Pvt. Ltd (KAEPPL). 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 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 31 <sup>st</sup> March 2016	% Voting Power held as at 31 <sup>st</sup> March 2015
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.



## KRITI INDUSTRIES (INDIA) LIMITED

### NOTES Forming Part of the Balance Sheet and Statement of Profit & Loss (Consolidated) (Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE NO. 2 SHARE CAPITAL</b>		
<b>22.1 AUTHORIZED</b>		
2.1.1 80000000 Equity Shares of Rs. 1/- each	800.00	800.00
2.1.2 2000000 Optional convertible Preference Shares of Rs. 10/- each	200.00	200.00
<b>2.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
2.2.1 49603520 equity shares of Rs 1/- each fully paid up which are issued as fully paid up share on 27.01.2010 on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
2.2.2 Reconciliation of shares		
2.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each	496.04	496.04
2.2.2.2 Issued during the year	0.00	0.00
2.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	<b>496.04</b>	<b>496.04</b>
The company has issued only one class of shares referred to as equity shares having a par value of Rs.1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
<b>2.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>2.3.1 SAKAM TRADING PRIVATE LIMITED</b>		
No. of Shares	25843673	25843673
%age of Shares	52.10%	52.10%
Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt. Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt. Ltd. and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt. Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt. Ltd. Thus Sakam Trading Pvt. Ltd. becomes holding company w.e.f. 27.02.2012 of Kriti Industries (I) Ltd.		
<b>2.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
No. of Shares	4469258	4469258
%age of Shares	9.01%	9.01%
<b>NOTE NO. 3 RESERVES &amp; SURPLUS</b>		
<b>3.1 RESERVES</b>		
<b>3.1.1 General Reserve</b>		
3.1.1 Opening Balance	2700.00	2600.00
3.1.2 Add: Transfer from P&L	200.00	100.00
3.1.3 Closing Balance	2900.00	2700.00
<b>3.2 SHARE PREMIUM ACCOUNT</b>		
3.2.1 Opening Balance	466.14	466.14
3.2.2 Add: Transfer from P&L	0.00	0.00
3.2.3 Closing Balance	466.14	466.14
<b>3.3 Contingency Reserve</b>		
3.3.1 Opening Balance	75.00	75.00
3.3.2 Add: Transfer from P&L	0.00	0.00
3.3.3 Closing Balance	75.00	75.00
<b>3.4 SHARE FORFEITURE ACCOUNT</b>		
3.4.1 Opening Balance	2.73	2.73
3.4.2 Add: Transfer from P&L	0.00	0.00
3.4.3 Closing Balance	2.73	2.73





**NOTES Forming Part of the Balance Sheet and Statement of Profit & Loss (Consolidated) (Rs. in Lacs)**

**NOTE NO. 4 LONG TERM BORROWINGS**

#### 4.1 TERM LOAN

(Installment due within 12 months shown in current Liabilities)

## 4 1 1 SECURED

#### 4.1.1.1 From Banks (Term of Repayments of Long Term Borrowings)

( Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director )

**NOTE NO. 5 DEFERRED TAX LIABILITY NET**

5.1 Deferred Tax Liability (Net)  
(On account of tax effects on timing difference arising due to difference in Depreciation)

NOTE NO. 6 OTHER LONG TERM LIABILITIES

## 6.1 UNSECURED

6.1.1 Other Loans and advances  
(Security Deposit received from dealers)

**NOTE NO -7 SHORT TERM BORROWINGS**

#### 7.1 Loans repayable on Demand

**7.1.1 SECURED**

store and spares, sundry debtors, export bills, receivables and second charge on fixed assets of the company and personal guarantee of Managing director )

### 7.1.2 UNSECURED

7.1.2.1 From banks
7.1.2.2 From Relative of Directors
7.1.2.3 Inter Corporate Deposit

NOTE NO. 8 TRADE PAYABLES

## 8.1 Trade Payables

NOTE NO. 9 OTHER CURRENT LIABILITIES

### 9.1 Outstanding Expenses

## 9.2 Statutory Liabilities

### 9.3 Current maturities of Long term debt

#### 9.4 Unpaid dividends

NOTE NO 10. SHORT TERM PROVISIONS

#### 10.1 Provision for Employees Benefits

10.2 Provision of Income Tax

10.2 Provision of income tax	637.52	66.66
<b>Total</b>	<b>718.63</b>	<b>129.67</b>



**KRITI INDUSTRIES (INDIA) LIMITED (CONSOLIDATED)**  
**Schedule II Forming Part of the Balance Sheet and Profit & Loss Accounts**  
 (AS PER COMPANIES ACT, 2013)

**FIXED ASSETS(FOR 2015-16)**

(Rs. in Lacs)

NOTE	PARTICULARS	LIFE	GROSS BLOCK			DEPRECIATION					NET BLOCK	NET BLOCK	
							Accum Dep on Disposal Assets	Trf. From General Reserve	For Year	Written back	TOTAL		
11	TANGIBLE	In years	01.04.2015	Additions	Deduction	TOTAL	01.04.2015						
11.1	Land	0.00	172.85	0.00	0.00	172.85	0.00	0.00	0.00	0.00	0.00	172.85	
11.2	Factory Building	30.00	1315.77	237.12	0.00	1552.89	436.97	0.00	0.00	47.35	0.00	484.32	1068.57
11.3	Plant & Machinery	25.00	6456.77	417.32	39.68	6834.41	2360.07	0.00	0.00	221.49	22.93	2558.63	4275.78
11.4	Testing & Lab Machir	10.00	220.00	2.24	0.00	222.24	181.14	0.00	0.00	10.46	0.00	191.60	30.64
11.5	Electrical Installation	10.00	160.72	117.88	0.00	278.60	64.83	0.00	0.00	25.28	0.00	90.11	188.49
11.6	Dies & Moulds	6.00	1346.12	54.05	0.00	1400.17	1086.76	0.00	0.00	103.15	0.00	1189.91	210.26
11.7	Vehicles	8.00	55.81	0.00	0.00	55.81	26.72	0.00	0.00	4.74	0.00	31.46	24.35
11.8	Furniture & Fixture	10.00	95.52	0.25	0.00	95.77	74.71	0.00	0.00	8.28	0.00	82.99	12.78
11.9	Office Equipment	5.00	24.74	7.80	0.00	32.54	13.94	0.00	0.00	4.21	0.00	18.15	14.39
11.10	COMPUTER	3.00	159.24	10.54	42.40	127.38	143.48	42.40	0.00	8.37	0.00	109.46	17.92
	TOTAL (11)		10007.55	847.20	82.20	10772.67	4388.63	42.40	0.00	433.34	22.93	4756.64	6016.02
12	INTANGIBLE												
12.1	Software	6.00	123.81	7.84	0.00	131.65	96.09	0.00	0.00	8.95	0.00	105.04	26.61
12.2	Goodwill	20.00	84.87	0.00	0.00	84.87	84.87	0.00	0.00	0.00	0.00	84.87	0.00
	TOTAL (12)		208.67	7.84	0.00	216.52	180.96	0.00	0.00	8.95	0.00	189.90	26.61
	GRAND TOTAL (11+12)		10216.22	855.04	82.08	10989.19	4569.59	42.40	0.00	442.28	22.93	4946.54	6042.63
	Previous Year		9292.48	942.74	19.00	10216.22	4068.41	0.00	58.80	450.94	8.56	4569.59	5646.64
													5224.07


**KRITI INDUSTRIES (INDIA) LIMITED**
**NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss (Consolidated) (Rs. in Lacs)**

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE NO. 13 NON- CURRENT INVESTMENT</b>		
13.1 National Saving Certificate	0.14	0.14
13.2 Unquoted		
Trade Investment in equity instruments		
13.2.1 Sahkari Audhyogik Vasahat Ltd. (1 Share of Rs. 500/-each )	0.01	0.01
13.2.2 Kriti Auto Engineering & Plastics Private Limited ( 100% Subsidiary ) (1000 Shares of Rs. 10/- each )	1.00	1.00
<b>Non Trade Investment in equity instruments</b>		
13.2.3 The Cosmos Co-operative Bank Ltd (1000 Equity Shares of Rs. 100/- each)	1.00	1.00
<b>Total</b>	<b>2.15</b>	<b>2.15</b>
<b>NOTE NO. 14 LONG TERM LOANS AND ADVANCES</b>		
14.1 Security Deposits	178.48	147.84
<b>Total</b>	<b>178.48</b>	<b>147.84</b>
<b>NOTE NO. 15 OTHER NON CURRENT ASSETS</b>		
15.1 Fixed deposit with banks against margin money	0.13	2.99
<b>Total</b>	<b>0.13</b>	<b>2.99</b>
<b>NOTE NO. 16 INVENTORIES</b>		
16.1 Raw Material	1968.09	1933.09
16.2 Finished Goods	4331.12	4225.16
16.3 Stores and Spares & others	435.02	652.97
<b>Total</b>	<b>6734.23</b>	<b>6811.22</b>
<b>NOTE NO. 17 TRADE RECEIVABLES</b>		
17.1 Trade Receivables ( Unsecured considered good )		
Over Six months from the date they become due	613.06	604.74
Others	5056.72	2670.16
<b>Total</b>	<b>5669.78</b>	<b>3274.90</b>
<b>NOTE NO. 18 CASH AND BANK BALANCES</b>		
18.1 Cash & Bank Balance		
18.1.1 Balances with Banks	5.42	1.16
18.1.2 Cash on hand	4.28	1.63
18.2 other Bank Balances		
18.2.1 Unpaid dividend	13.55	17.15
18.2.2 Fixed deposit with banks against margin money	1009.16	808.37
<b>Total</b>	<b>1032.41</b>	<b>828.31</b>
<b>NOTE NO. 19 SHORT-TERM LOANS AND ADVANCES</b>		
19.1 Unsecured, Considered good	1664.63	1255.27
Advances recoverable in cash or kind or for value to be received		
<b>Total</b>	<b>1664.63</b>	<b>1255.27</b>
<b>NOTE NO. 20 OTHER CURRENT ASSETS</b>		
20.1 Sundry Deposits	24.88	27.37
20.2 Advance Tax/ Tax Deducted at source	458.26	142.23
20.3 CENVAT	102.73	421.09
20.4 Accrued Interest/ Income	20.89	52.19
<b>Total</b>	<b>606.76</b>	<b>642.88</b>



# KRITI INDUSTRIES (INDIA) LIMITED

NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss (Consolidated) (Rs. in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>NOTE NO. 21 REVENUE FROM OPERATIONS</b>		
21.1 Sale of Products	53491.87	41663.27
21.2 Other operating revenues	38.99	34.11
	53530.86	41697.38
21.3 less: Excise Duty	5553.78	3699.37
<b>Total</b>	<b>47977.08</b>	<b>37998.01</b>
<b>NOTE NO. 22 OTHER INCOME</b>		
22.1 Interest Income	143.54	137.97
22.2 Other Non-operating Income	27.51	9.28
22.3 Excise Duty on Closing Stock	0.12	0.00
<b>Total</b>	<b>171.17</b>	<b>147.25</b>
<b>NOTE NO. -23 EMPLOYEE BENEFITS EXPENSES</b>		
23.1 Salaries & Wages	1403.00	1414.96
23.2 Contribution to provident and other fund	91.73	90.17
23.3 Staff Welfare Expenses	203.07	147.12
23.4 Director Remuneration	140.50	63.32
23.5 P.F on Director Remuneration	5.76	5.76
<b>Total</b>	<b>1844.06</b>	<b>1721.33</b>
<b>NOTE NO. 24 FINANCIAL COST</b>		
24.1 Interest Expenses	1348.14	1031.41
24.2 Other Borrowing Cost	310.95	295.29
<b>Total</b>	<b>1659.09</b>	<b>1326.70</b>
<b>NOTE NO. 25 OTHER EXPENSES</b>		
(I) MANUFACTURING EXPENSES		
25.1 Stores and Spares Consumed	345.91	322.21
25.2 Power Charges	1405.17	1056.50
25.3 Freight & Cartage	550.51	299.50
25.4 Repairs & Maintenance	89.98	52.89
25.5 Insurance Charges	31.94	31.39
25.6 Water Charges	19.33	19.88
25.7 Loss on Sale of Fixed asset	0.00	0.88
25.8 Loss on Insurance Claim Received	0.00	83.52
25.9 Excise Duty on Closing Stock	0.00	390.63
25.10 Job Work Charges	21.74	54.06
25.11 Miscellaneous Manufacturing Expenses	115.00	67.88
<b>Sub Total (I)</b>	<b>2579.58</b>	<b>2379.34</b>
(II) ADMINISTRATIVE EXPENSES		
25.12 Stationery & Printing	7.90	5.41
25.13 Computer Expense	12.52	7.78
25.14 Rent, Rates and Taxes	80.22	88.95
25.15 Postage, Telegram and Telephones	28.97	27.46
25.16 Auditor's Fees	2.50	2.50
25.17 Conveyance Expenses	71.83	63.88
25.18 Legal & Professional Charges	75.41	74.21
25.19 Miscellaneous Expenses	51.74	54.13
25.20 Director's Meeting Fee	0.18	0.12
25.21 Net gain/ loss on foreign currency transactions	15.18	32.03
25.22 Corporate Social Responsibility	5.75	0.87
<b>Sub Total (II)</b>	<b>352.20</b>	<b>357.34</b>
(III) SELLING & DISTRIBUTION EXPENSES		
25.23 Advertisement & Publicity	3.20	2.91
25.24 Sales Promotion Expenses	151.23	165.62
25.25 Brokerage & Commission	26.28	23.54
25.26 Service Charges	190.39	100.45
25.27 Freight Outward	1136.41	561.63
25.28 Sales Tax & Octroi	8.57	0.35
25.29 Travelling Expenses	168.50	173.06
25.30 Bad debts	100.25	6.41
<b>Sub Total (III)</b>	<b>1784.83</b>	<b>1033.97</b>
<b>TOTAL ( I+II+III )</b>	<b>4716.61</b>	<b>3770.65</b>



26. 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.
27. **Contingent liabilities**
- Estimated amount of contracts remaining to be executed on Capital Account Rs. 76.01 lacs net of advance given (Previous Year Rs. 23.62 Lacs)
  - Bank has given guarantee on behalf of the Company to various parties to the extent of Rs. 2232.91 lacs (Previous Year Rs. 2149.61 lacs.)
  - Claims not acknowledge by the company on Commercial tax matters Rs. 260.15 Lacs (Previous Year Rs.271.85 lacs.)
28. The amount of Foreign Exchange gain/(loss) included in the profit & loss account is Rs. (15.18) (Previous Year gain/(loss) Rs. (32.03) lacs).
29. During the year ended 31.03.2016 excise duty on closing stock amounting to Rs. (-) 0.12 Lacs is net off excise duty on opening stock (Rs. 390.51 Lacs minus Rs. 390.63 ).Consequently the change in Inventories of finished goods, work-in-progress and stock-in-trade & other expenses are reduced to that extent, instead of grossing of stocks & Expenses. There is no impact on year ended results due to this change

### 30. 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.	Particulars	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in lacs)	1075.61	208.43
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 Earnings Per Share (F.V. of Rs.1 each)	2.17	0.42
5.	Diluted Earnings Per Share (F.V. of Rs.1 each)	2.17	0.42
6.	Nominal Value Per Share	1.00	1.00

31. In accordance with the Accounting Standard (AS) 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 ( The Act ) read with rule 7 of the Companies ( Accounts ) Rules, 2014.the names of the related parties and the relevant disclosure is as under:-

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

- Key Management Personnel:**  
Shri Shiv Singh Mehta, Managing Director  
Smt. Purnima Mehta, Executive Director  
Shri V.K Mittal, Chief Financial Officer  
Smt. Priyanka Gupta, Company Secretary
- Relatives of Key Management Personnel**  
Shri Saurabh Singh Mehta (Son of Managing Director/ Executive Director)  
Smt. Devki Hirawat (Daughter of Managing Director/ Executive Director)
- Subsidiary Company**  
1) Kriti Auto & Engineering Plastics Pvt. Ltd (Wholly owned Subsidiary Company)
- Companies/entities under the control of Key Management personnel**  
1) Sakam Trading Pvt. Ltd. (Holding Company)  
2) Kriti Nutrients Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)  
3) Chetak Builders Pvt. Ltd. (Subsidiary company of Sakam Trading Pvt. 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	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)	294.60 (187.24)
2	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	132.82 (111.13)
3	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	0.13 (0.29)
4	Remuneration	168.51 (79.82)	11.32 (11.36)	NIL (NIL)
5	Rent	NIL (NIL)	NIL (NIL)	10.38 (11.61)
6	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	NIL (NIL)	30.00 (NIL)	209.00 (281.00)
7	Interest Given	NIL (NIL)	NIL (NIL)	23.77 (17.27)

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

### 32. Auditor's Remuneration

Sr. No.	Auditor's Remuneration	31.03.2016	31.03.2015
a.	Statutory Audit/ Tax Audit Fees	2.50	2.50
b.	Taxation & Other matters including Legal & Professional Expenses.	Nil	0.10

Figures are exclusive of Service Tax

33. Previous figures have been reclassified/regrouped wherever necessary.

As per Our Report of Even Date Attached

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

For and on behalf of the Board of Directors

**Rakesh Kumar Gupta**

Partner

M.No. 070906

**Shiv Singh Mehta**

(Managing Director)

DIN 00023523

**Purnima Mehta**

(Executive Director)

DIN 00023632

**V. K. Mittal**

(Chief Financial officer)

**Priyanka Gupta**

(Company Secretary)

**Place: Indore**

**Date:- 12th May, 2016**

## FORM AOC - 1

### STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

#### Part "A": Subsidiaries

(Rs. in Lacs)

Name of the Company	Financial Period ended	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnovers	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share-holding
Kriti Auto and Engineering Plastics Private Limited	31.03.2016	388.50	119.77	1291.56	783.29	-	1943.59	(98.79)	(5.31)	(93.48)	-	100

#### Part "B": Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Joint Venture	Latest Audited Balance sheet Date	Shares of the Joint Venture held by the Company on the year end			Profit/Loss for the Year		Description of how there is Significant influence	Reason why the Associate/Joint Venture is not consolidated
		No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %	Considered in Consolidation	Not Considered in Consolidation		
-	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors

Shiv Singh Mehta  
(Managing Director)  
DIN 00023523

Purnima Mehta  
(Executive Director)  
DIN 00023632

V.K. Mittal  
(Chief Financial Officer)

Priyanka Gupta  
(Company Secretary)

Indore  
12<sup>th</sup> May, 2016

## KRITI INDUSTRIES (INDIA ) LIMITED

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 Blockletters) (First holder)
2. Folio Number/ DPID : \_\_\_\_\_  
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 ☐ .....  
(Please specify)
7. Bank account number : \_\_\_\_\_
8. IFSC code : \_\_\_\_\_
- 10.PAN : \_\_\_\_\_
- 11.E-mail ID : \_\_\_\_\_

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.

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

Date

\_\_\_\_\_  
Signature of the first holder  
(as appearing in the Company records)

#### Certificate of the Investor's bank

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

\_\_\_\_\_  
Signature of the first holder  
(as appearing in the Company records)



## PROXY FORM FORM MGT- 11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name : KRITI INDUSTRIES (INDIA) LIMITED  
CIN : L25206MP1990PLC005732  
Regd office : MEHTA CHAMBER, 34 SIYAGANJ, INDORE -452 007 (M.P.)

Name of the member (s) :  
Registered address :  
E-mail Id :  
Folio No/ Client Id :  
DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : ..... E-mail Id : .....  
Address : ..... Signature : .....  
or failing him  
2. Name : ..... E-mail Id : .....  
Address : ..... Signature : .....  
or failing him

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 26<sup>th</sup> Annual general meeting of the company, to be held on Thursday the 11<sup>th</sup> August, 2016 At the Corporate Support Center, 4<sup>th</sup> Floor Chetak Chamber, 14 RNT Marg, Indore (M.P.) at 4:00P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions
1. Consider and adopt Audited Statement of accounts, Reports of the Board of Directors and Auditor.
2. To Confirm the payment of Interim Dividend of Rs. 0.18 per equity shares.
3. Re-appointment of Dr. Swatantra Singh Kothari( DIN: 00084920)
4. Ratification of appointment of Auditor
5. Ratification of remuneration of Cost Auditor.
6. Re-appointment to Shri Shiv Singh Mehta (DIN: 00023532) as Managing Director for the further term of 5 years
7. Re-appointment to Smt. Purnima Mehta (DIN: 00023632) as Whole time Director for the further term of 3 years
8. Appointment of Mr. Chandrasekharan Bhasker (DIN: 00003343) as an Independent Director of the company
9. Adoption of New Set of Articles of Association of the Company

Signed this..... day of..... 2016

Signature of shareholder

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

### ATTENDANCE SLIP

.....ANNUAL GENERAL MEETING ON .....

R.F. No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the 26<sup>th</sup> Annual General meeting of the company at the Corporate Support Center, 4th Floor Chetak Chamber, 14 RNT Marg, Indore - 452001 (M.P.) of the company on Thursday the 11th August, 2016 at 4.00 P.M.

(If signed by proxy, his/her name should be written in block letters)

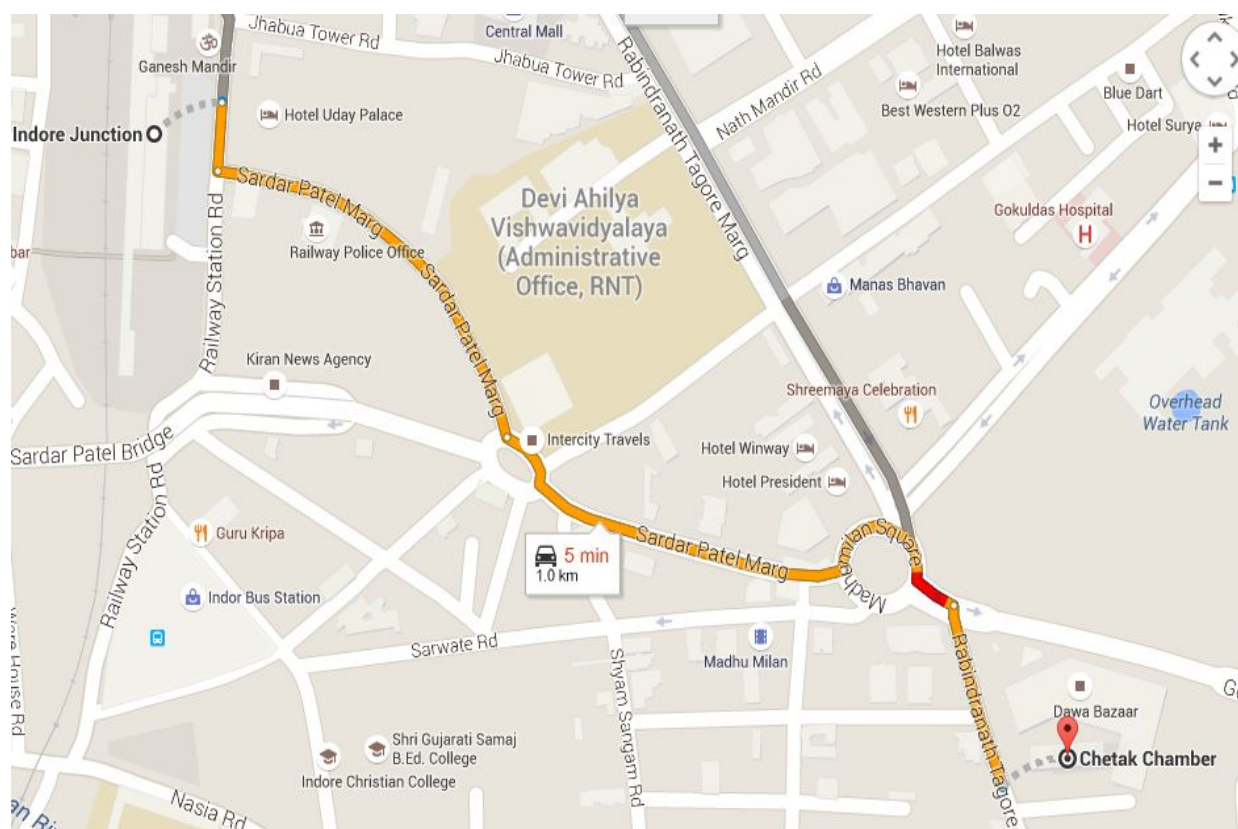
(Shareholders/proxy's Signature)

Note:

- Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
- If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

## **ROUTE MAP TO THE AGM VENUE**

**VENUE:** Chetak Chambers, 04<sup>th</sup> Floor, 14 R.N.T. Marg, Indore (M.P.) 452001



**LANDMARK:** NEXT TO DAWA BAZAR

**DISTANCE FROM INDORE JUNCTION TO AGM VENUE:** 1 KM (by vehicle)

BOOK-POST

**KRITI INDUSTRIES (INDIA) LTD.**

M/s Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex, Pardeshipura,  
Indore - 452 010 (M.P.)