



KRITI INDUSTRIES (INDIA) LIMITED

BRILLIANT SAPPHIRE, 801-804, 8th FLOOR, PLOT NO. 10, SCHEME 78-II, VIJAY NAGAR,
INDORE - 452 010 (M.P.) INDIA. PHONE No.: (+91-731) 2719100.
REGD. OFF.: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452007 Phone: (+91-731) 2540963
E-mail: info@kritiindia.com Website: http://www.kritiindia.com

CIN : L25206MP1990PLC005732

KIIL/SE/2020-21

15th July, 2020

Online filing at: www.listing.bseindia.com

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

BSE Scrip Code: 526423

Sub: Submission of 30th Annual Report along with Notice of Annual General Meeting to be held on 08th August, 2020 through Video Conferencing or Other Audio Video Means (OAVM) at 03.00 P.M. pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Dear Sir/Ma'am,

Pursuant to provisions of regulation 34(1) of the SEBI (LODR) Regulations, 2015 related to submission of 30th Annual Report along with Notice of Annual General Meeting to be held on 08th August, 2020 at 3.00 P.M., **through Video Conferencing or Other Audio Video Means (OAVM)** for which purposes the corporate office of the company situated at 8th Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.) shall be deemed as the venue for the Meeting.

We are pleased to submit the 30th Annual Report for the year 2019-20 of the Company containing the Balance Sheet as at 31st March, 2020, and the Statement of the Profit and Loss and Cash Flow for the year ended 31st March, 2020 and the Boards' Report along with Corporate Governance Report and the Auditors' Report on that date and its annexures.

You are requested to please take on record the above said document of the Company for your reference and further needful

Thanking You.

Yours Faithfully,

For, KRITI INDUSTRIES (INDIA) LIMITED

Apeksha Baisakhiya
APEKSHA BAISAKHIYA
COMPANY SECRETARY &
COMPLIANCE OFFICER



Encl.: 30th Annual Report for financial year 2019-20 along with Notice of AGM.

DO RIGHT

OUR LONG-TERM APPROACH
TO BUSINESS SUSTAINABILITY



Kriti Industries (India) Limited
Annual Report 2019-20

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, certain forward-looking statements that set out anticipated results based on the management’s plan and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’ believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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DO RIGHT

At Kriti Industries (India) Limited,
'Do Right' is not just a tactical
response to challenging markets.

*It is also a commitment to grow
the business in a profitable and
sustainable way across the long-
term.*

At Kriti Industries (India)
Limited, 'Do Right' is not just a
fashionable motto framed on
our walls.

*It is an ethical philosophy practiced
across every initiative.*

The background of the slide is a photograph of three blue pipes of increasing height against a light-colored wooden plank wall. The pipes are positioned on the right side of the frame, with their shadows cast onto the wall. The text is overlaid on a dark blue gradient box on the left.

‘Do Right’ and Kriti Industries (India) Limited



Respecting human dignity

Core of our existence



Governance

Focus on doing the right things and doing things right



Compliance

Respect for statutes, regulations and laws of the land



Value-addition

Focus on superior products, quality and realisations



Relationships

Face-to-face relationships with primary and secondary customers



Solvency

Credible Balance Sheet with liquidity and credibility



Building for the long-term

Influences our thought and actions



Conduct

To work and think with the highest ethical conduct



Process-driven

Focus on the 'how' over the 'what'



Brand promise

Deepen recall around 'Trust' and 'Quality'



Value

Commitment to enhance value for all stakeholders

The first word



Dear shareholders,

The world is passing through uncertain times. It would be incorrect to begin a review of the last financial year without a mention of it at the outset.

The Novel Corona virus has created the largest pandemic in the recent history of the world, affecting most countries and people.

The abruptness of the virus incidence, the speed of its spread and the extent of its impact represent a watershed in the modern history of humankind.

At Kriti Industries, we were not affected as much by the virus impact during the financial year under review as much as we were during the first quarter of the current financial year. As a business that is a part of the national eco-system, the spread of this virus and the lockdown that transpired thereafter only reinforced our conviction for distinctive strategic clarity.

An unpredictable environment as the one that we are passing through puts a premium on strategic de-risking and the need for managed growth. This is a time when we believe that the truly sustainable companies will remain agile enough to resist a sharp downside in revenues, profits and margins and be even quicker once conditions revive.

So what companies are expected to endure?

At Kriti Industries, we believe that companies that are in existence to address a specific purpose – in our case, transmission solutions - will find it

easier to protect their brand during such challenging periods.

We believe that companies that have extended beyond a generic positioning and address specific market segments – like Kriti Industries is positioned - stand a better chance to compete across market cycles.

We believe that companies that are faithfully aligned between overarching strategy at one end and organisational structure at the other (in terms of size, speed and austerity like we have attempted) will be equipped to survive the downtrend and recover fastest when sentiment revives.

We believe that there is a greater priority in being low on long-term debt than ever before. We have been funding growth from our annual surplus and the cash sitting on our books while drawing down debt, which we believe is sustainable from a long term perspective.

And lastly, we believe that companies like Kriti Industries, who have been able to retain their stakeholders, will be better equipped to provide effective solutions for their customers.

The principal message then that I wish to convey to our shareholders is that Kriti Industries is securely positioned to protect its eco-system on the one hand and outperform sectoral growth when conditions improve.

Shiv Singh Mehta

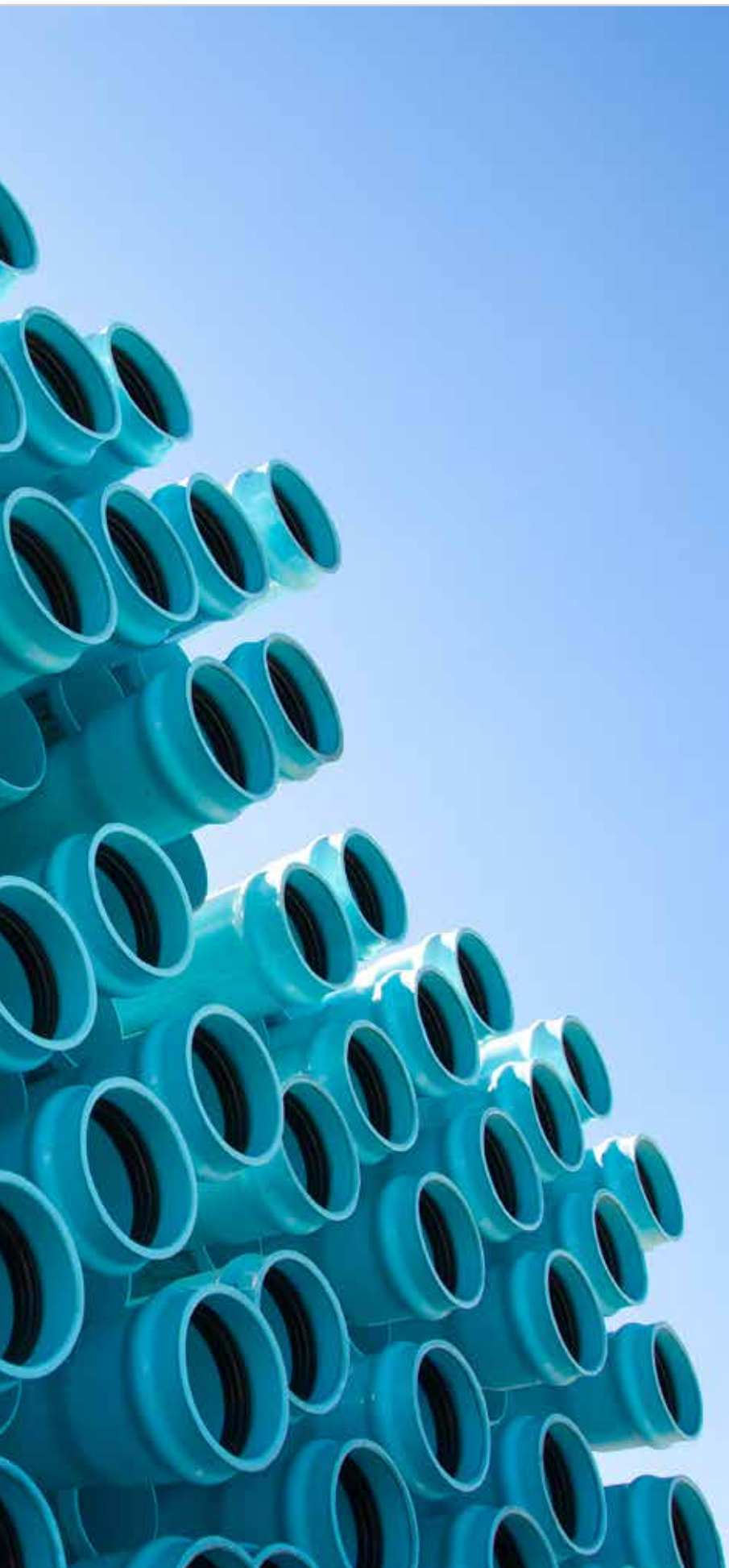
Chairman and Managing Director



We believe that there is a greater priority in being low on long-term debt than ever before. We have been managing our growth from our annual surplus generation and the cash sitting on our books while drawing down debt.

The background of the slide is a close-up, high-angle shot of numerous blue plastic bottle caps. The caps are arranged in a somewhat chaotic but dense pattern, with many of them showing their inner black rubber seals. The lighting is bright, creating strong highlights and shadows that emphasize the texture and shape of the caps. The overall color palette is dominated by various shades of blue, from light sky blue to deep navy blue.

**How 'Do Right'
resides at the
core of our
governance
commitment**



At Kriti Industries, we believe that governance is core to our business.

Our principal product is marketed around trust; our product integrity is tested across the long-term; the cost of product replacement can be high in the case of quality under-delivery.

This governance framework comprises a number of priorities.



Singular focus

At Kriti, we believe that core competence represents the biggest insurance against cyclical downturns. In view of this, we have selected to position ourselves not as much as a polymer pipes and fittings company as much as a fluid transmission products company (that also manufactures PVC/HDPE pipes and fittings). We believe that our extrusion competence has been leveraged to manufacture pipes of larger diameters across a range of applications (water transmission/telecom / gas / building products). This holistic positioning has helped enhance our strategic clarity, open us to emerging opportunities, attract knowledge professionals and strengthen product / process research.



Data-driven

At Kriti, we are an analytics-driven organisation that generates data-driven ground realities resulting in informed decision-making. In turn, the management provides this data and information to executives and distribution partners. This has helped mature the organisation to one driven largely by technology-aided information sharing.



Controlled growth

At Kriti, we believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. In line with this conviction, the Company has allocated accruals into incremental investments without stretching the Balance Sheet. The result is that the Company has grown revenues every single year across the last number of years.



Distinctiveness

At Kriti, we recognise we are in business to provide a distinctive value to our customers and consumers – through a differentiated product, engagement or experience. Over time, this distinctiveness has helped the Company being recognised as a sectoral disruptor.



Trust

At Kriti, we believe that there is one word that encapsulates all that we are and all that we do – 'trust'. We believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers lend debt and why communities support us. Over the years, we have invested in enhancing this trust quotient through various initiatives that have been described in this document.



Balanced approach

At Kriti, we have selected to balance caution and aggression (strategic aggression and tactical conservatism), resulting in a relatively de-risked approach. As a part of this approach we focus on capital investments generating an attractively short-term payback, maximising cash flows over mere paper profits and reinvestment into the business. The measure of our strategic balance is an attractively low gearing and our ability to largely fund our expansions through accruals.



Culture of excellence

At Kriti, we have created an organisation where the 'good' is not good enough; we have invested in a culture of overarching excellence directed towards emerging as the sectoral benchmark in terms of quality (product and process) as well as resource productivity leading to continuous cost management and sustainability across market cycles. We made prudent investments to enhance manufacturing efficiency (optimal input-output ratios) while seeking to invest in processes that conserve time and material use.



Process-driven

At Kriti, we believe that growth can be best derived when the promoter charts out a strategic direction and leaves day-to-day management to professionals. the Company deepened an investment in processes and systems, especially information technology.



Audit and compliance-driven

At Kriti, we have strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers and strength of our processes. The result is that the Company has not incurred statutory penalties in its existence.



Board of Directors

At Kriti, we believe that our strategic direction is largely influenced by our Board of Directors. In view of this, we have placed a premium on our Board composition, which comprises professionals and industrialists of standing. These individuals have enriched our values, experience, multi-sectoral business understanding and strategic quality.



Think long-term

At Kriti, we have selected to build the business around long-term patience and commitment. This approach has influenced our investments in assets, technologies, brands, people, locations, products and trade partners. We believe that this approach has translated into the highest standards of technology, integrity and competencies. Clearly the focus of our business to 'Do Right' has translated into business robustness and stability.



Doing things the right way

At Kriti, we believe that governance comprises the commitment to do things the right way in addition to doing the right things. This combination enhances organisational predictability and consistency, attracting stakeholders in turn who believe in doing business our way. This is visibly reflected in the fact that a large proportion of our dealers have remained with us for years, enhancing revenue predictability.



Conclusion

We believe that governance-driven companies evoke a sense of respect. During the year under review, Mr Shiv Singh Mehta, Chairman and Managing Director, was given the Arya Chanakya (MP) Award for Corporate Governance and Corporate Social Responsibility and the Plastindia Foundation Award for his valuable contribution to India's plastics industry.

DO RIGHT

- A beacon
- A guiding principle - a credo
- A go to placewhen in doubt
- Meaningful
- Evocative and provocative
- Ring true – tone, style and manner

This is how our 'Do Right' focus translated into superior numbers in 2019-20



Profitable growth

A focus on investment in long-term business strategy and processes translated into profitable growth in 2019-20. This represented a validation of the Company's growing competitiveness.

The Company reported revenues of ₹536.08 crore in FY 2019-20 in spite of a slowing economy, while generating an EBITDA ₹47.68 crore. Revenues declined 6% on account of lower raw material prices while EBITDA grew 53%.

Outperformance

	(%)
Revenue decline	6
EBITDA growth	53

Margins growth

A focus on value-addition, superior products and the ability to capitalise on raw material price movements widened margins.

PAT margin

(%)

FY2018-19

1.16

FY2019-20

3.62



Lower debt

We focused on the repayment of long-term debt that strengthened our liquidity for the moment and our credit rating for the future (influencing our overall cost of mobilised finance).

Long-term debt	₹ Crore
FY2018-19	29.95
FY2019-20	23.32

Market coverage

We focused on increasing our long-term presence in Maharashtra and Telangana through a deeper presence across a larger number of districts.

We focused on a growing footprint across contiguous regions in Maharashtra, strengthening our penetration, visibility and market share.

Receivables

We continued to exercise a discipline in our terms of trade that was reflected in a control on receivables within an acceptable range, even during sluggish markets, protecting our cash flows.

Pipes receivables	(days)
FY2018-19	40 days
FY2019-20	46 days

Kriti Industries (India) Limited.

Driven to 'Do Right', do it well and do it now



Vision

An energetic organisation on a long haul, charting a distinct course for customer admiration, led by a disciplined team of vibrant people.



Mission

- Cherishing mutually satisfying relationships
- Encouraging innovation through creativity
- Constant technological upgradations to maintain superiority
- Inculcating team spirit amongst the workforce and ensuring their development through professional improvement in their capabilities and welfare for them and their families
- Contributing to the social and economic upliftment of the underprivileged in the society and in making the nation stronger
- Honesty in approach, transparency in work and dealings
- Adoption of green technology to conserve environment and reduction of our carbon footprint



Values

- Encouraging creativity and valuing new thoughts.
- Lending a helping hand to society's developmental needs.
- Being honest and forthright in our approach.
- Being in harmony with the natural order.
- Customer focus with world class quality and cost-effective products



Businesses

The Company is engaged in the manufacture of polymer pipes. These comprised Poly Vinyl Chloride (PVC) and Poly Ethylene (PE) used in the downstream applications of potable water supply, irrigation, building construction and infrastructure. The Company widened its product range to address a majority of sizes (small to large diameter across classes and ratings). The Company possesses the capability to manufacture a variety of complementary PVC/HDPE fittings.



Personality

- Simple
- Humble
- Dignified, understated elegance
- Grounded
- Confident
- Approachable
- Leader



Presence

The Company's headquarters are based in Indore; its manufacturing facility is located in Pithampur. The Company's sales footprint extends largely across Madhya Pradesh, Rajasthan, Maharashtra and Telangana. The Company enhanced its focus in additional states during the year under review, broad-basing its national presence and addressing a larger addressable national market.



Promoters

The Company was promoted by Mr. Shiv Singh Mehta in 1982 who is Chairman and Managing Director. He is assisted by senior executives and more than 530 employees.



Performance

The Company registered revenues of ₹536.08 crore and Profit after Tax ₹19.23 crore. The Company reported a cash profit of ₹26.95 crore and EBITDA margin of 8.89% in 2019-20.



Brand

The Company's proprietary brand Kasta commands a superior recall and traction for consistency, quality and service.



The Group governance

The Kriti Group comprises three companies of Kriti Industries (India) Limited, Kriti Nutrients Limited and Kriti Auto Engineering & Plastics Pvt. Limited. The group companies are respected for a high standard of governance, reflected in a defined corporate strategy, strong Board of Directors, respected for processes and proactive investment in information technology, among other initiatives.



Listing

The Company is listed on the Bombay Stock Exchange. The Company's market capitalisation was ₹53.57 crore as on 31 March 2020. The promoters accounted for 66.13% stake in the Company's equity capital.



Responsibility

The Company is a respected corporate citizen engaged in addressing grass-root realities in the areas of its manufacturing and corporate presence.

Revenue	₹ Crore
FY2015-16	464.25
FY2016-17	407.80
FY2017-18	447.25
FY2018-19	571.14
FY2019-20	536.08

Definition

Growth in sales, net of taxes.

Why this is measured

It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

What this means

Aggregate sales were ₹534.22 crore in a challenging FY 2019-20 due to a slowing of the economy.

Value impact

The volume offtake remained creditable, protecting the Company's industry visibility.

EBITDA	₹ Crore
FY2015-16	39.21
FY2016-17	30.01
FY2017-18	32.25
FY2018-19	31.20
FY2019-20	47.13

Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured

It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

What this means

Helps create a robust surplus-generating engine that facilitates reinvestment.

Value impact

The Company reported a 51.05% growth in EBITDA in FY2019-20 (the sharpest increase in years) following the payback of erstwhile business development expenses (that had earlier been charged to the Profit & Loss account) whose benefits now began to accrue.

'Do Right' has translated into

ROCE	(%)
FY2015-16	42.6
FY2016-17	31.15
FY2017-18	30.50
FY2018-19	23.92
FY2019-20	33.02

Definition

This financial ratio measures efficiency with which capital is employed in the business.

Why this is measured

ROCE is an insightful metric to compare profitability across companies based on their capital efficiency.

What this means

Enhanced ROCE can potentially drive valuations and market perception.

Value impact

The Company reported a 910 bps increase in ROCE in FY2019-20 following increased volumes, recovery of business development costs and economies of scale (manufacturing, distribution and brand).

Gearing	(x)
FY2015-16	1.34
FY2016-17	1.24
FY2017-18	1.19
FY2018-19	0.37
FY2019-20	0.25

Definition

This is the ratio of debt to net worth (less Revaluation Reserves).

Why this is measured

This is one of the defining measures of a company's solvency and liquidity.

What this means

This indicates whether the Company enhances value shareholder value by strengthening net worth and

progressively moderating debt.

Value impact

The Company's gearing stood improved at 0.25 in FY2019-20 compared to 0.37 in FY2018-19 following debt repayment and increased net worth. This ratio should ideally be read in conjunction with net debt/operating profit (a reduction indicating greater ease in terms of servicing debt).

Net profit	₹ Crore
FY2015-16	11.69
FY2016-17	8.71
FY2017-18	9.22
FY2018-19	6.62
FY2019-20	19.23

Definition

Profit earned during the year after deducting all expenses, taxes and provisions.

Why this is measured

It highlights the strength of the business model in enhancing shareholder value.

What this means

This ensures the quantum of cash available for reinvestment.

Value impact

Wider footprint and higher sales (despite sub-optimal performance in the third quarter) helped increase to the highest in four years.

EBITDA margin	(%)
FY2015-16	7.60
FY2016-17	7.38
FY2017-18	7.26
FY2018-19	5.48
FY2019-20	8.79

Definition

EBITDA margin is a profitability measure to ascertain a company's operating efficiency.

Why this is measured

The EBITDA margin provides an index of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What this means

This measure demonstrates the buffer in the business, which, when multiplied by scale, can enhance the business surplus.

Value impact

The Company reported a 331 bps increase in EBITDA margin in FY2019-20 (highest in four years) on account of superior product mix, higher revenues and payback of business development costs.

growing numbers

Debt cost	(%)
FY2015-16	12.49
FY2016-17	11.77
FY2017-18	10.73
FY2018-19	9.85
FY2019-20	10.68

Definition

This is derived through the computation of the average cost of the consolidated debt on the Company's books.

Why this is measured

This indicates the Company's ability in convincing debt providers of the robustness of the business model and negotiating a lower debt cost (leading to higher margins).

What this means

This translates into enhanced cash flows and strengthens the credit rating leading to successive declines in debt cost.

Value impact

The Company's debt cost was higher at 10.68% in FY2019-20. This ratio should ideally be read in conjunction with net debt/operating profit (an increase indicating higher liquidity).

Interest cover	(x)
FY2015-16	3.02
FY2016-17	2.81
FY2017-18	2.96
FY2018-19	2.52
FY2019-20	3.19

Definition

This is derived through the division of EBITDA by interest outflow.

Why this is measured

Interest cover indicates the solvency available to service interest – the higher the better.

What this means

A company's ability to meet

its interest obligations is one of the most important measures leading to shareholder returns.

Value impact

The Company's interest cover weakened from 2.96 in FY2017-18 to 2.52 in FY2018-19 but revived to 3.19 in 2019-20. This was largely on account of superior cost management and payback from projects.

How 'Kriti's dealer' is more than a description... it is a status symbol

THE SALES OF AN Ahmednagar dealer in polymer pipes had been plateauing around ₹5 crore for a decade.

A Kriti executive visited him a couple of years ago with the objective to ask him to stock the Kasta brand as well.

The dealer patiently heard the Kriti executive; eventually, he agreed but was cautious about what the Kasta brand could achieve for him.

However, within a couple of months, the dealer noticed

something unusual: farmer traction increased; even more unusual was that the farmers did not seek any of the existing brands he stocked; they pointed to Kasta: *'Yeh chaahiye!'*

The result is that this dealer's revenues have quadrupled in just two years. He concedes: *'Kasta ne kismet badal di!'*

For him 'Kriti ka dealer' is more than just a description; it is a status symbol.





Kriti's Maharashtra success validates a long-standing confidence: 'Give us a challenge and we will outperform.'

WHEN KRITI INDUSTRIES decided to enter Maharashtra, a ₹2000 crore a year market for polymer pipes, the industry sceptics were many.

'Maharashtra has got a number of polymer pipe giants, so Kriti's entry will be difficult,' pronounced most.

Kriti responded with a distinctive spirit.

The Company selected to enhance its market presence with measured caution; it entered the most attractive markets and then extended into contiguous areas; it engaged directly with farmers;

it marketed the strength of a long-term Kriti relationship.

The result is evident in the numbers.

Even though Kriti entered only 15 Maharashtra districts (out of 25), it has already carved away a 15% market share.

The Kasta brand has emerged among the largest within that State within just 24 months of starting out.

This has helped validate a long-standing Kriti confidence: 'Give us a challenge and we will outperform.'



Shiv Singh Mehta,
Chairman & Managing Director

‘What kind of a company is Kriti Industries?’ is what I have been asked a number of times.

Overview

‘What kind of a company is Kriti Industries?’ is what I have been asked a number of times.

The most faithful analogy that one can offer is ‘compound interest.’

There are number of attributes that the concept of compound interest shares with our company.

Principally, any investment that generates compound interest entails a long-termism in outlook and engagement; we have created an organisation where similar attributes are relevant.

The magic of compounding

Compound interest results in sustainable returns; we believe that Kriti Industries has been positioned around business continuity and incremental year-on-year growth.

Compound interest warrants fiscal austerity marked by a reinvestment of the returns into the business; we have built Kriti Industries around a relatively low

payout and aggressive reinvestment of accruals.

Compound interest generates gains that are reasonable to begin with but after a point when the corpus acquires critical mass, the gains are disproportionately larger with each successive year; we are engaged in building an organisation where after a few years of achieving critical mass we expect to generate sizable year-on-year growth.

We believe that the analogy applies faithfully even when one analyses the requirements of successful compound interest returns across a period of time.

Do right

The principal requirement of a successful compounded interest strategy is discipline. This discipline, generally derived from strategic conviction, entails fiscal patience, austerity and consistency. This is no difference when it comes to our company, which has been created around the basis of a long-term discipline.

At Kriti Industries, this principle is

encapsulated in two words: 'Do right.'

Over the years, these two words have influenced our corporate direction, strategic depth and tactical responses. I can state that whatever we are today is the result of these two words, reflected in our capacity to do the right things and do things the right way.

We believe that the importance of these two words is only increasing in a volatile world with a greater focus on process integrity over successful outcomes. The world does not just seek to applaud the end result; it also seeks to ascertain whether the right results were achieved through the right means. As an extension, a new perspective is emerging: there is a greater conviction that if the means are credible, the results will be positive.

At the heart of this governance-driven approach lies business sustainability. At Kriti Industries, we believe that 'sustainability' is not just about being able to report a year-on-year growth in revenues or profits; it is also about being able to outperform the sector across market cycles; it is also about remaining liquid and competitive in the most challenging markets.

Kriti and governance

At Kriti Industries, we invested in governance from the time we went into business by prioritising some fundamentals.

One, we complemented the capacity to do the right things by doing them in the right way.

Two, we resolved to focus not as much on the size of our revenues as much on their quality.

Three, we felt that companies of our kind would endure if they focused on graduating beyond the commodity end towards the premium.

Four, we felt that Kriti would be successful across market cycles if it manufactured quality products that took the business of its customers ahead.

Five, we felt that at the heart of business sustainability would reside in the strength of relationships with all stakeholders, making it possible to procure necessary resources, leverage employee knowledge and market to longstanding customers.

Six, we believed that the institutionalisation of a company like Kriti Industries would come from a combination of patience and aggression – aggression in deepening one's presence and competence along the Y axis and only then moving to the next point on the X axis.

I am pleased to state that this is how we built Kriti Industries across the last 27 years, reporting a profit in every single and announcing a dividend in an uninterrupted way (except for 2008-09). We achieved this position by using a prudent combination of debt and net worth to grow our business or capacity, paring down debt with accruals, graduating to the premium end of the market, investing in brand visibility, providing a range of products and complements resulting in a solution, extending into contiguous markets and marketing products across a larger spread of downstream customers.

This maturing of the organisation was evident during the year under review. The Company reported revenue of ₹536.08 crore and profit after tax of ₹19.80 crore. We believe that the speed with which our business development initiatives of the preceding two years paid off is a validation of the organisation's maturing.

The future

What is the Kriti Industries of the future likely to be?

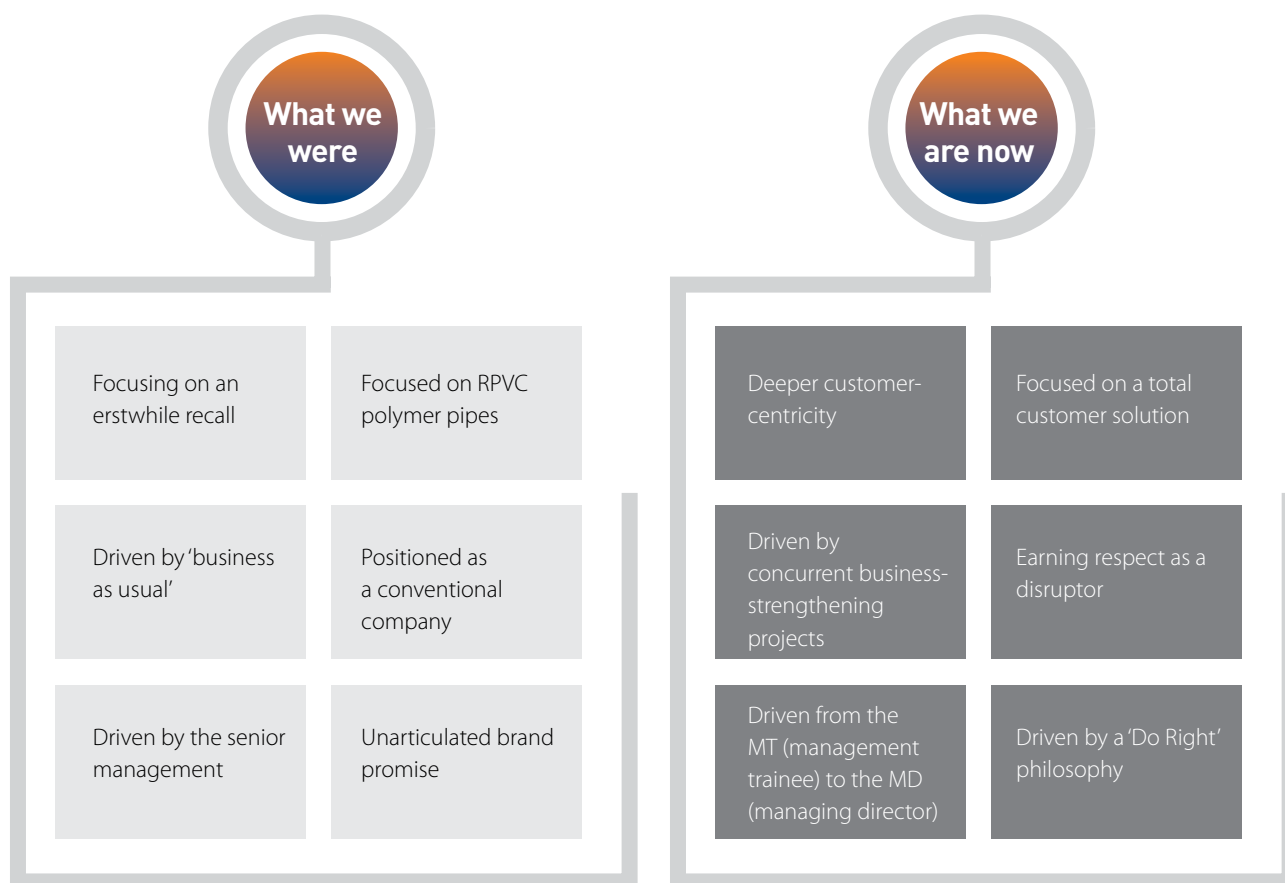
The Company seeks to enhance plant utilisation through the economic slowdown by expanding markets and applications.

The Company will market a large volume in Maharashtra at non-discounted realisations; it will enter different sectors (gas and building products) with the objective of servicing multiple growth drivers that make it possible to sell our products through the year.

At Kriti Industries, we are placed at the right moment in the right sector. The offtake of polymer pipes with agricultural applications is growing year on year, largely independent of the country's economy. The replacement of steel pipes with polymer equivalents is growing and extending to the 1200 mm diameter segment. The penetration of pipes is



At the heart of this governance-driven approach lies business sustainability. At Kriti Industries, we believe that 'sustainability' is not just about being able to report a year-on-year growth in revenues or profits; it is also about being able to outperform the sector across market cycles; it is also about remaining liquid and competitive in the most challenging markets.



only 45% of the total market, indicating a vast multi-year head room. The Indian government announced a major initiative to grow the national gas grid network within a time-bound programme, which is expected to translate into an unprecedented demand for polymer gas pipes; the Company intends to widen its portfolio to building pipes, addressing the large real estate sector. Besides, the country's water table is high following an extended 2019 monsoon, which augurs well for the offtake of polymer pipes.

We are attractively placed to capitalise.

Kriti Industries possesses an under-borrowed Balance Sheet, low exposure in the building products and gas segments that can only grow from this point onwards, sound credit rating, short receivables cycle, adequate manufacturing capacity, credible quality certifications and a trusted brand to widen its presence from one to three downstream sectors. Besides, the Company has invested in data analytics and information sharing; the concurrence of a number of improvement-centric projects augurs well for our productivity.

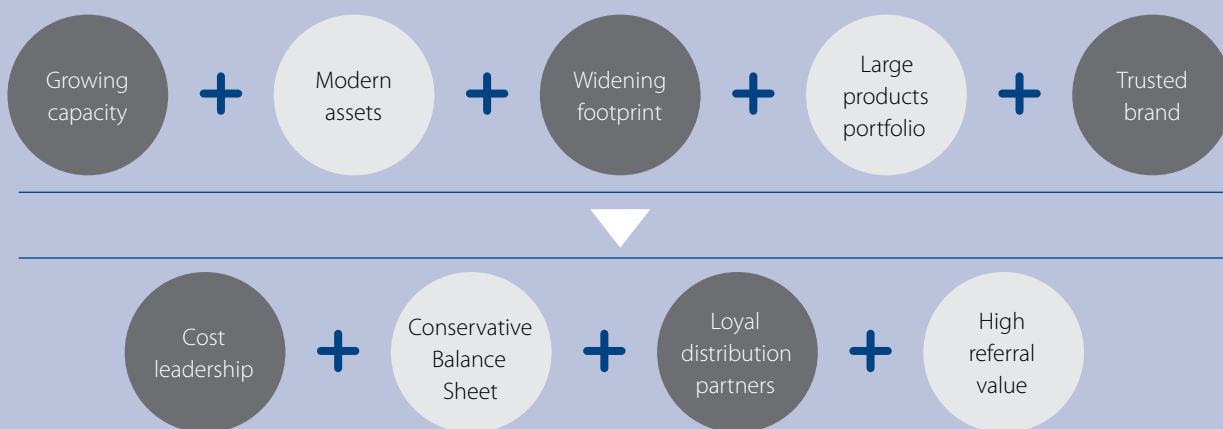
We are optimistic that this measured approach should translate into our Company growing to ₹1200 crore revenues by 2023 derived through a deeper presence in the States of our existing presence and the addition of Karnataka. It took us a number of years to grow to more than 500 crore in revenues; we expect to more than double our revenues in a fraction of the time, enhancing value for all our stakeholders.

Shiv Singh Mehta,
Chairman & Managing Director

Modern India: One of the Fastest Growing Global Economies

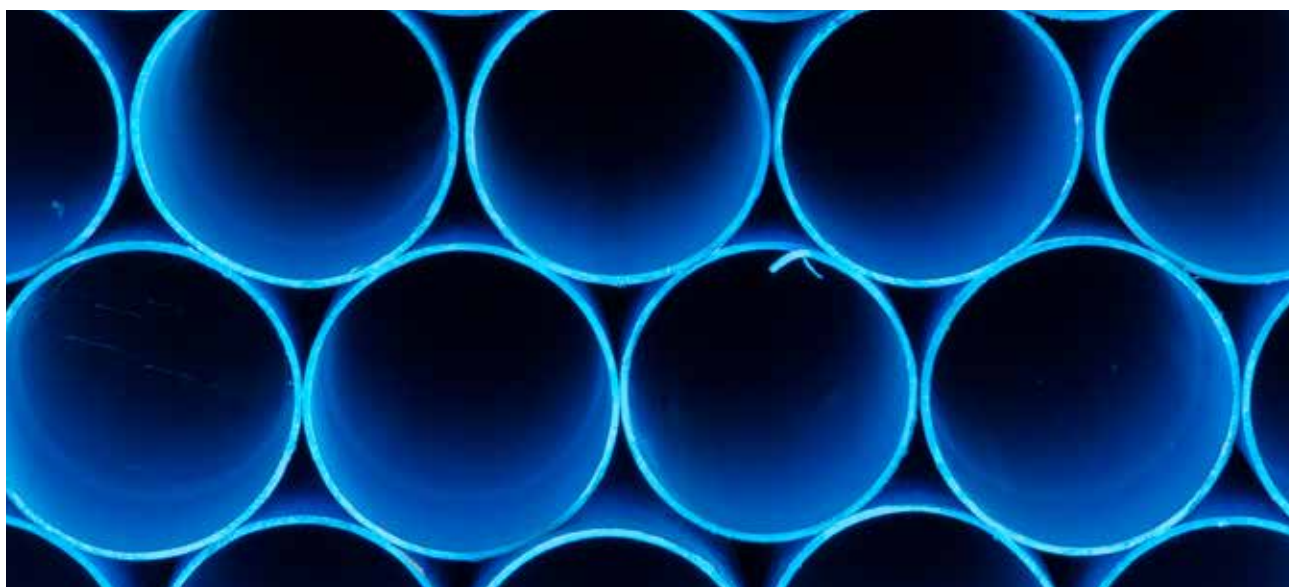
India's growth driven by agriculture, telecom and hydrocarbon sectors

Kriti Industries attractive proxy of India's agriculture sector (through PVC pipes)



Revenue growth faster than India's PVC pipes sector average

KRITI: FLUID TRANSPORTATION SOLUTIONS PROVIDER



That Kriti Industries presented credible revenues despite losing its peak season is an index of the various de-risking initiatives undertaken by the Company.

Q Was the management pleased with the performance of the Company during the year under review?

The Company performed credibly given the challenging industry scenario in 2019-20. The country's polymer pipes and fittings sector grew modest volumes during the year under review; Kriti Industries revenues declined 6.13% (following a decline in average polymer product realisations by 3.86% during the year under review advised by lower raw

material costs). the Company reported revenues of ₹536.08 crore while profit after tax strengthened nearly 362%. We believe that this outperformance is the result of the Company's commitment to 'Do Right' – whether on the long-term strategic side or in addressing the dynamic realities of a challenging market place.

Q What were the challenges that the sector and the Company encountered during the year under review?

The country encountered one of the most erratic and unpredictable weather patterns during the last financial year. Normally, India's monsoons phase out by 30 September; during the year under review, the monsoonal impact extended until mid-December. Normally, farmers across North India would engage in agriculture capital expenditure largely across 45 days stretching into mid-November, accounting for around 40% of the spending for the full year; during the last financial year, the extended monsoon delayed this capex, affecting the offtake of companies

engaged in marketing polymer pipes and fittings for agricultural applications. The impact of this sluggishness lasted nearly five months and affected the entire sector; your Company was no exception as revenues during the third quarter of the last financial year declined 25.14% when compared with the corresponding period of the previous year. That Kriti Industries presented credible revenues despite losing its peak season is an index of the various de-risking initiatives undertaken by the Company during the last few years.

Q What were the various initiatives that helped the Company resist the full impact of the sluggish market?

During the last couple of years, the management had chartered out a strategy to extend beyond its long-standing markets of Madhya Pradesh and Rajasthan. I am pleased to report that this business broad-basing began to pay off during the last financial year: the proportion of revenues derived from outside these two prominent states increased from 12% in

2017-18 to 22% in 2019-20. The result is that the Company reported attractive volumes and value. By extending wider across India's geographic land mass, the Company was able to weather the market weakness more effectively by amortising its fixed costs across a larger volume.



Much of our growth during 2019-20 was influenced by the way we selected to build our presence in the new markets of Maharashtra and Telangana.

Q	How did the Company perform in its new states of presence?	
	During the last couple of years, the Company embarked on the significant decision to extend into the growing states of Maharashtra and Telangana. I must communicate to stakeholders that the extension into these states was based	on some well-founded considerations: Maharashtra and Telangana accounted for 14.89% and 4.55% of India's GDP respectively; these states were contiguous to the Company's core presence in Madhya Pradesh; these states were among the largest consumers of polymer pipes in the country. In view of these reasons, the company's extension into these markets was not only advisable but also necessary.

Q	How did the Company perform in the new States of presence where the challenge would otherwise have been to invest, penetrate and build scale?	
	The Company performed credibly in the new states where it entered despite challenges of the delayed monsoon and the economic sluggishness. For instance, the Company's sales in Maharashtra	nearly doubled and sales in Telangana trebled during the last financial year; the cumulative sales from these two states increased from 8% in 2018-19 to 15% in 2019-20, helping de-risk the Company from an excessive dependence on its traditional markets in Madhya Pradesh and Rajasthan.

Q	What were the other initiatives undertaken by the Company during the year under review?	
	Much of our growth during 2019-20 was influenced by the way we selected to build our presence in the new markets of Maharashtra and Telangana. The one approach would have been to appoint a large number of product distribution partners with speed, pump a large volume of products through them, focus on capturing market share through aggressive discounting and	hold on to that market share across the long-term. Kriti Industries did the opposite: the Company launched a patient customer contact programme wherein its sales team extended deep into select districts, engaged with farmers on their retrospective purchase patterns and proposed capex programme, build awareness of the Company's brand and enhance the confidence of our prospective dealers that we were a company with a long-term focus. Besides, we educated farmers (specifically small farmers) on the requisite water flow and pipeline plumbing. We also highlighted the fact that the brand Kasta had serviced the needs of two generations of farmers in its stronghold markets, highlighting its long-term commitment.

Q	Why was this approach relevant?	
	This approach was relevant because each market is different and one cannot approach all the markets within a state with the same strategy. There are different kinds of customers who need different	products around different terms of trade in different markets. The Company's capability lies in being flexible enough to change its marketing and customer-facing approach with the objective to maximise product availability and provide supporting service. Building our presence from the grass-root upwards may have taken longer but we believe that this will be more sustainable across the long-term.

Q	What is the Company's outlook for 2020-21?	
	There are a number of ways through which we expect to enhance value during the current financial year. the Company expects to widen its marketing footprint across more districts of Maharashtra and	Telangana; besides, the Company intends to deepen its presence within its existing principal markets of Madhya Pradesh and Rajasthan. We believe that this wider and deeper presence will make it possible for the Company to produce a larger quantity of polymer pipes, enhancing capacity utilisation on the one hand and helping the Company amortise fixed costs more effectively.

Kriti. Entering new markets. Building a new company

Overview

At Kriti Industries, we recognise that market growth can be generated in two ways: sell more in the existing areas of our presence or enter new areas.

For a number of years, the Company selected to be largely present in the states of Madhya Pradesh and Rajasthan. The Company deepened its presence in these states by appointing dealers to cover progressively smaller catchment areas, which resulted in the Company's Kasta brand being accessible and available just when consumers needed them and closer to points of consumption. The effectiveness of this patient market-building approach is reflected in the fact that the Company emerged as the undisputed market leader for polymer pipes and fittings in Madhya Pradesh and retained this position for years.

In last couple of years, the Company extended its presence to two new states (Maharashtra and Telangana) with the objective of replacing its intensive presence on the one hand and creating multiple geographic revenues engines on the other.

Differentiated choice

The Company could have entered these states by investing extensively, covered a large geographic area with speed and focused on generating a sharp increase in revenues. In line with the philosophy of 'Do Right', it employed a patient market-

building approach instead.

This 'Do Right' commitment was reflected in the following initiatives, recognising that the Indian farmer would only trust products with a high manufacturer engagement.

The Company could have rolled out with speed into new markets; it implemented controlled expansion into these new markets instead.

The Company could have banked on existing realities and knowledge of prospects in these new markets; it engaged in a holistic survey of prospects in these two States instead.

The Company could have trusted available numbers of the prospects for existing players; it ascertained the long-term potential of the market and the corresponding room for the switch from non-organised players to branded products offtake instead.

The Company could have entered on the basis of an overview of realities; it engaged in a comprehensive mapping of competing forces across the sub-markets of its proposed presence instead.

The Company could have selected to enter and discover prevailing market realities; it selected to map every single dealer of polymer pipes and fittings in those States after speaking to them instead.

Kriti's Chairman-
Managing Director
underlines the
importance of
stakeholder engagement
by selecting to meet
around three dealers
every single week

The Company
launched 61
projects to catalyse
its bottom-up
presence in new
States

~65

% Market share
in Madhya
Pradesh

~45

% Market share
in Rajasthan

~10

% Market share
in Maharashtra

The Company could have expended a large spending towards advertising and outdoor promotions to announce its entry in Maharashtra; it engaged management trainees to collectively connect with farmers (starting 6am) instead, creating a direct consumer impact.

The Company could have been content with visits to prospective customers; it engaged tele-callers to verify whether the visits had been made, invited farmers to visit the plant and the Managing Director engaged with each farmer with the objective to convert every engagement into offtake instead.

The result of this approach was a patient bottom-up insight into the understanding of the market realities from district to district.

Patient approach

This patient and methodical approach of the Company resulted in a planned implementation of various ground-level projects and activities.

One, the Company selected to enter a cluster of districts providing the Company with the easiest market entry opportunity for products representing the apex of the pyramid; thereafter the Company extended into contiguous markets that enhanced economies of distribution, goodwill and visibility.

Two, the Company engaged in a number of ground-level activities – educating

farmers in water flow - addressing farmers that helped generate business for dealers, sending out a message of collaborative engagement.

Three, the Company showcased its longstanding respect among dealers in its traditional States and how it had helped grow their status and financial standing from scratch; besides, it invited dealers to its manufacturing facility to highlight its technology investment.

The result of this relationship-focused market building approach translated into a focused penetration of new sub-markets, deep engagement through concurrent projects (high proportion of dealers exclusive to the Company's brand), high dealer accretion, correspondingly high offtake, quicker investment payback and superior profitability.

This growth was reflected in the numbers: the Company reported an appreciable increase in offtake in the new markets of Maharashtra and Telangana; the Company carved away an encouraging market share in Maharashtra, a creditable achievement considering that the State was marked by the active presence of the largest polymer pipe brands in India.

In 2020-21, the Company intends to increase its presence in other proximate districts of Maharashtra and Telangana, enhancing revenues from these two states.



How we have strengthened engagements with our dealers

We engaged in a million face-to-face farmer engagements in 2019-20 – no television promotions or external media advertising.

We impressed upon farmers about our products, values, brand and corporate differentiators, enhancing their confidence.

We created a consumer pull for our products that benefited our dealers.

5 realities influencing competitiveness in India's polymer pipes business... ... And how Kriti Industries is capitalising on them

Long-term approach

Industry reality

There is a premium on sustainable growth in India's polymer pipes and fittings sector: neither too fast to compromise Balance Sheet integrity and neither too slow to affect value-creation. There is a need to be sustainably profitable over a one-off profitability spike.

Kriti's response: The Company has invested in its business (capacity, footprint and sales network) without at any stage compromising its long-term competitiveness. The result is that the Company's gearing (long-term debt) was a mere 0.25 at the close of 2019-20 corresponded by a net worth of ₹103.79 crore, indicating the extent of borrowing potential. We believe that the Company possesses a comfortable Balance Sheet to be able to finance much of its capacity or business growth from within across the foreseeable future, potentially enhancing shareholder value.

Scale

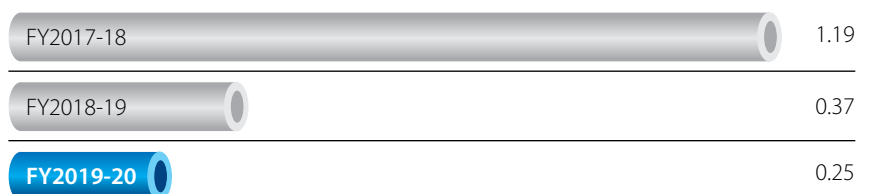
Industry reality

There is a need for manufacturing scale to excite trade partners, efficiently amortise fixed costs and strengthen the brand. Companies that enhance sustainable value are also the ones that are the largest.

Kriti's response: The Company possesses one of the largest **single-location polymer pipe manufacturing plants in India (125,000 TPA)**; the Company is among the sixth largest in its sector in India. This scale has translated into economies of raw material procurement and manufacturing. We believe that the Company possesses adequate scale to address the needs of the future.

Declining indebtedness

Gearing



Geographic presence

Industry reality

Success in the polymer pipes business is derived from a brand being pan-zonal or pan-national, generating superior economies arising out of brand recall and product distribution. A rapidly widening geographic footprint can potentially result in high receivables; slow footprint expansion can affect revenue growth.

Kriti's response: There is a premium on the need to be present in a growing number of markets, given the increasing demand for polymer pipes in India. Over the years, the Company focused on deepening its presence in its traditional stronghold markets of Madhya Pradesh and Rajasthan. During the last couple of years, the Company extended its presence to Maharashtra and Telangana (across contiguous districts).

Brand and receivables

Industry reality

The most established brands in the country's polymer pipes business are also the largest and most profitable. This underscores the need to enhance the trust and acceptability of brands, which, in turn, warrants the need for sustained brand investments translating into a low receivables cycles.

Kriti's response: The Company has continued to enhance recall for its Kasta brand by emphasising quality consistency, closer engagements with trade partners and letting product efficacy speak for itself. This translated into a high proportion of sales being generated from cash and carry.

Balance Sheet

Industry reality

There is a premium on possessing a small and liquid Balance Sheet that makes it possible to expand with relatively low debt, report profitable growth and enhance stakeholder confidence.

Kriti's response: The Company's revenues were ₹536.08 crore in 2019-20, while reducing long-term debt by 30.19%, strengthening the platform of the Balance Sheet to sustain multi-year growth.

India in numbers

45%

Indian population below the age of 25.
(World population prospects 2019)

28.43

Median age of Indians by 2020.

38.4

Median age of China by 2020.
(The Hindu business line, Statista).

89.8%

The rate at which Indian median income per household is set to increase by 2030.

US\$ 10073

Increase in real terms
(Euromonitor International. 20th September 2015)

500 million

Number of middle class households in India by 2030.

2

India's rank in the list of largest middle-class populations.
(consultancy.asia, 2019)

600 million

Urban population in India by 2030.

~454 million

Indian urban population in Jan 2020. (67% of the population)
(The Economic Times, World Population Review)

Our business model

SECTORAL OVERVIEW

Rain-fed: Indian agriculture is largely rain-fed, with only a third of agriculture activities in India depending on groundwater for irrigation (Census 2011)

Water-stress: Nearly 600 million Indians face high-to-extreme water stress due to inadequate potable water.

Depletion: Critical groundwater resources (40% of India's water supply) are being depleted at 'unsustainable' rates and up to 70% of India's water supply is 'contaminated', making water transportation critical.

Climate: India's Economic Survey warned that climate change could shrink India's agricultural income 25% in un-irrigated farmlands and 18% in irrigated areas in the eight decades. An IMF study says that for emerging market economies, a 1°C increase in temperature could reduce agricultural growth 1.7%, and a 100 mm reduction in rain could reduce growth 0.35%.

Water productivity: India consumes 2-4

times more water than China and Brazil to produce a unit of major food crops, making micro-irrigation necessary.

Water table: India's water table is declining rapidly – ground water levels declined by ~61% between 2007 and 2017, making the use of submersible pumps and PVC pipes necessary.

Monsoon-dependence: The monsoon season is the lifeline for India's farm economy. India gets around ~70% of its annual rainfall during the monsoon season and nearly ~55% of India's arable land is dependent on it.

Irrigation investments: The government has allocated ₹2.83 lakh crore for agriculture and allied activities, irrigation and rural development in the Union Budget 2020-21.

Government policy: The government intends to double farm incomes by 2022. Favourable policies like the Pradhan Mantri Krishi Sinchai Yojana, Swachh Bharat Mission and introduction of more

Smart Cities are projected to catalyse the demand for PVC pipes.

Telecom: The optical fibre market in India is projected at US\$ 424 million by 2020 on account of growing adoption of smartphones, broadband services and 5G rollout. The optic fibre cable comprises tens of strands of glass fibre, each no thicker than a human hair and capable of transmitting the entire Encyclopedia Britannica's contents in less than a second. (Source: TechSci Research).

Piped gas: Following the completion of the ninth city gas distribution bidding round, city gas distribution would be available in 178 GAs comprising 280 districts spread over 26 States and Union Territories covering more than 50% of India's population and 35% of its GA. India also launched the tenth city gas distribution bidding round in 50 GAs spread over 124 districts in 14 States to potentially reach piped gas to 200 lakh households.

Global climatic pattern

There is a greater recognition that a change in global climatic patterns has enhanced monsoonal erraticity. The Indian monsoon has been affected by a variation in the quantum and timing of rainfall across regions. This phenomenon

has increased the premium on the transfer of water from regions of high precipitation and high water storage to deficient regions coupled with increased irrigation. This recognition has translated into a decisive priority related to water

resource management. These policies have been directed at adequate water storage, timely water transmission and responsible water use, each of which warrants a large use of polymer extruded products.

Taxation implications

The introduction of Goods & Services Tax in 2017 helped correct a long standing skew in the taxation of polymer products manufactured by organised and unorganised players. Following

the introduction of the GST, the tax disadvantage that organised players had long suffered declined considerably and became increasingly competitive. This transition is reflected in the growth India's

polymer processing sector. This provides long-term players with an incentive to invest wider and deeper in their businesses, strengthening their business sustainability.



KRITI'S COMPETITIVENESS

Strategic

Holistic: Kriti Industries has graduated from a water transmission products company to a fluid transportation products company. The extrusion of polymer products is being adapted to other areas (gas and optic fibre cables).

National relevance: We grew our business in national priority areas likely to attract government policies and consumer traction. In view of this, our polymer extrusion business addresses increasingly relevant downstream interventions (water transmission, gas transportation and optic fibre ducts).

Broadbasing: We believe that any-

market competitiveness is derived from business broadbasing. the Company broadbased its manufacturing infrastructure through capacity addition, widened its products portfolio, expanded its geographic footprint and intends to widen its presence across downstream sectors (beyond water transmission).

State-of-the art: The Company consciously invested in state-of-the-art manufacturing facilities - a higher one-time investment in exchange for a sustainable advantage (productivity, quality and efficiency).

Financial conservatism: The Company

believes in any-market competitiveness derived from a conservative Balance Sheet. The Company invested in building its business through accruals, paying down long-term debt and moderating its receivables.

Brand: The Company invests 1% of revenues in brand building. It generates about 76% revenues from trade partners who retail to consumers. The Company's Kasta brand generates a consumer pull without any price discount. The brand stands for positive attributes ('Expert ka vishwaas', 'bharosa', 'superior', 'best' and 'peace of mind').

Product

One-stop: The Company is a one-stop provider of polymer extruded products – from 20 mm to 710 mm diameter and applications extending from water to drip irrigation to gas to telecom. This has enhanced our share of the primary customer's wallet (distributors).

Manufacturing capacity: The Company broad-based its manufacturing capacity by 25% in 2018-19 and kept its capacity at a constant in 2019-20. This is one of the largest capacities at a single location across the polymer pipe sector in India. This capacity has been structured for peak requirement during the post-monsoon season. The plant usually operates at peak utilisation during this period. The objective of the Company is to enter new sectors with round-the-year applications that could strengthen

the Company's capacity utilisation (and profitability).

Product portfolio: The Company's portfolio comprises a range of PVC pipes and fittings, strengthening its recall as a one-stop solution provider. This has increased the Company's ability to address a larger share of the customer's wallet. The proportion of fittings (value-added) accounted for 5.20% of the turnover during the year under review.

Product mix: The Company leveraged its rich experience in product design and manufacture to graduate to larger-diameter pipes. The Company possesses capabilities to manufacture pipes up to 710 mm diameter, addressing larger water throughput requirements and larger government outlays. The Company also developed larger diameter pipes

addressing the gas sector.

Value-added: The Company is a value-added player in a commoditised space. The Company manufactured products addressing the highest quality standard and generating a premium. Value-added fittings accounted for 6% of the Company's revenues.

Quality: The Company manufactured around a high consistent quality standard (across narrow tolerances), resisting the use of a lower price/quality of raw material to enhance profitability. This addressed the growing emergence of discerning farmers who would prefer to invest in a premium quality product when making a long-term capital expenditure (as opposed to buying low-priced products of suspect quality).



Presence

Location: The Company is present in Madhya Pradesh where 70% of the state's population depends on agriculture.

Pan-India: The Company was a regional player with a presence in a handful of Indian states across 35 years. In the last few years, the Company widened its presence across multiple contiguous States with the long-term objective to emerge as a pan-India brand.

Geographic footprint: The Company's geographic broadbasing extended from a longstanding presence in Madhya Pradesh, Rajasthan, Uttar Pradesh and Haryana to contiguous states like Maharashtra and Telangana, the most decisive expansion after 35 years of being present principally in two Indian states. The organisation has matured to a point – scale, brand, bandwidth, distribution and Balance Sheet – where a

wider geographic footprint will accelerate its competitiveness and transform it from a regional brand into a multi-zonal organisation and pan-India presence. This project (Project Udaan or Project Flight) is expected to graduate the Company into multiple States with a corresponding distribution network.

Micro focus: The Company has treated each district as a unique market, helping map the growing needs of individual farmers. The Company is directly present through trade partners at *tehsil* levels (as opposed to *taluka* levels for most). The result is that the Company is a market leader in Madhya Pradesh (65%) and Rajasthan (45%).

Distribution radius: The Company is engaged in the manufacture of a hollow product, making it competitive to market as close to the plant as possible. The

Company prefers to route products out of the single unit but deliver with speed to its primary customers (trade partners). The Company maximised sales within 500kms of its manufacturing facility.

Distribution intensity: The Company does not just market products wide; it has also selected to market products deep within its existing footprint. This priority has been manifested in the Company reaching products down to towns, enhancing proximity to consumers and making it a preferred vendor.

Contiguous growth: The Company believes in incremental geographic expansion: from one district to the contiguous other, leveraging economies of brand spending, distribution presence and managerial bandwidth.

Markets

Customer mix: The Company is largely a retail-focused company, accounting for 76% of revenues in 2019-20. The institutional sales generate volumes marked by long receivables; the rest of the business is largely cash and carry, strengthening the Company's cash flow.

Sectoral mix: The Company is broad-basing its personality beyond water transportation applications towards fluid transportation. The Company intends to manufacture extruded products for application in the rapidly growing gas sector. The Company will manufacture

pipes of a larger diameter for this application.

Primary customers: In the Company's markets of Madhya Pradesh and Rajasthan, the primary customers (trade partners) are Kasta's biggest ambassadors: they have worked with the Company for years, experienced virtually no product returns and provided the opportunity to add other dealerships to their profile. The result is that the Kriti associated has proved beneficial for their respect, status and business. The Company embarked on the creation of a similar network in

the new States of our presence through a prudent selection of distribution partners based on their integrity, financial depth and long-term commitment to the business.

New market selection: The Company entered new States that represent the springboard of its future, accounting for a sizable share of the Indian extruded polymer products market. Some of these States have been affected by drought and erratic monsoons, making water storage and transmission imperative for agricultural survival.

Financial outcomes of our business model



Equity

The Company has not diluted its equity since its IPO in 1993, indicating a conservative dilution approach.



Ownership

The Company's equity is largely held by the promoters (66.13%) ensuring that they possess a high engagement in the Company's prosperity.



Profits

The Company has generated profits and paid dividends in every single year of the last decade, indicating business sustainability.

Credit rating

The Company's business fundamentals resulted in a superior credit rating – from BBB to BBB+ (CARE), which helped moderate the cost of funds.

Debt cost

There was a decline in debt cost following a superior leverage of the credit rating.

Liquidity

Average working capital drawn was 50% of the sanctioned amount in FY2019-20. Working capital outlay as a % of the total capital employed declined.

EBITDA margins

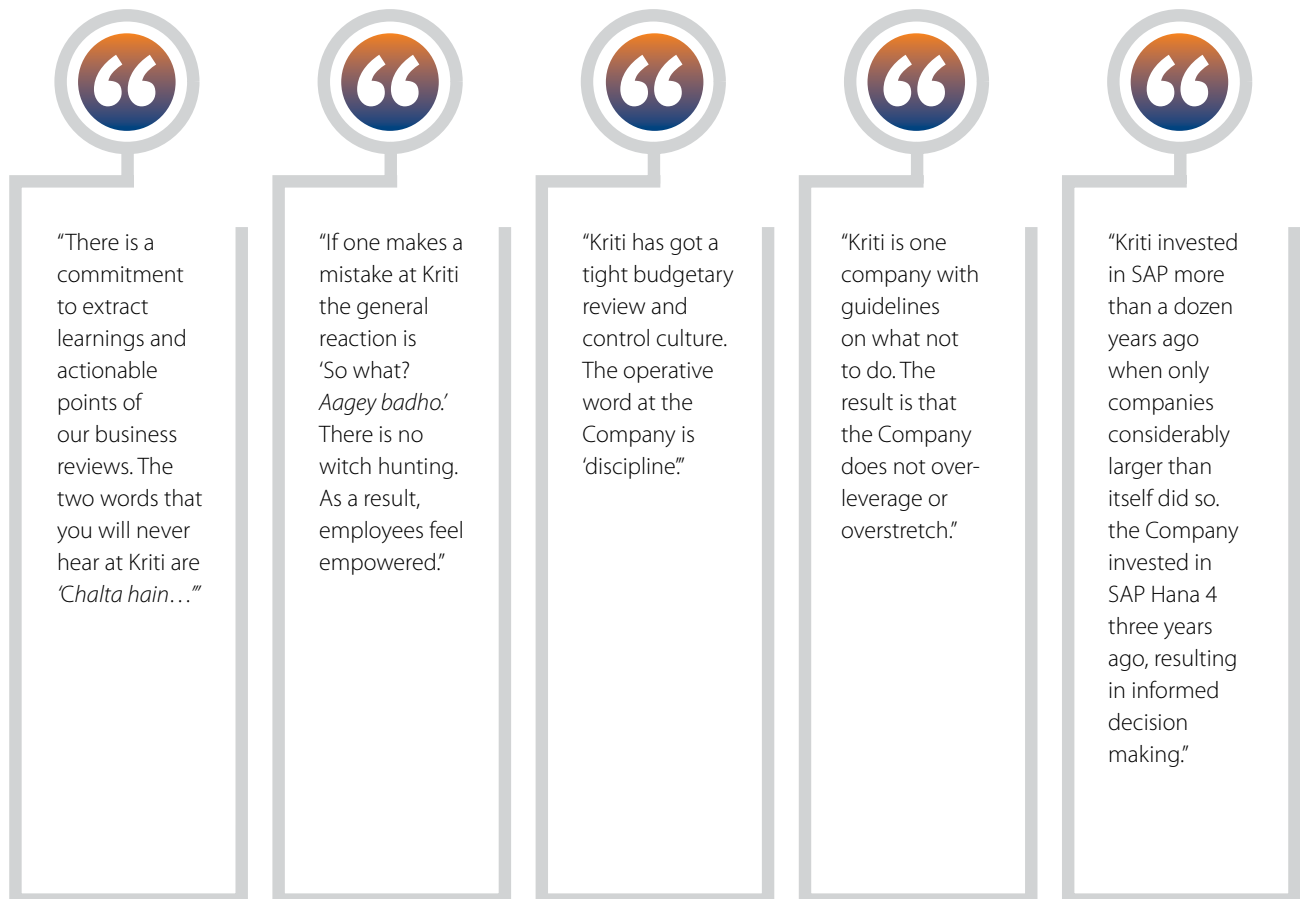
The Company reported improved margins in 2019-20 following the payback from business development costs that had been earlier charged to the P&L account. The Company's margins have moved within a narrow channel of 5.5% to 9% in the last few years, indicating business predictability.

Gearing

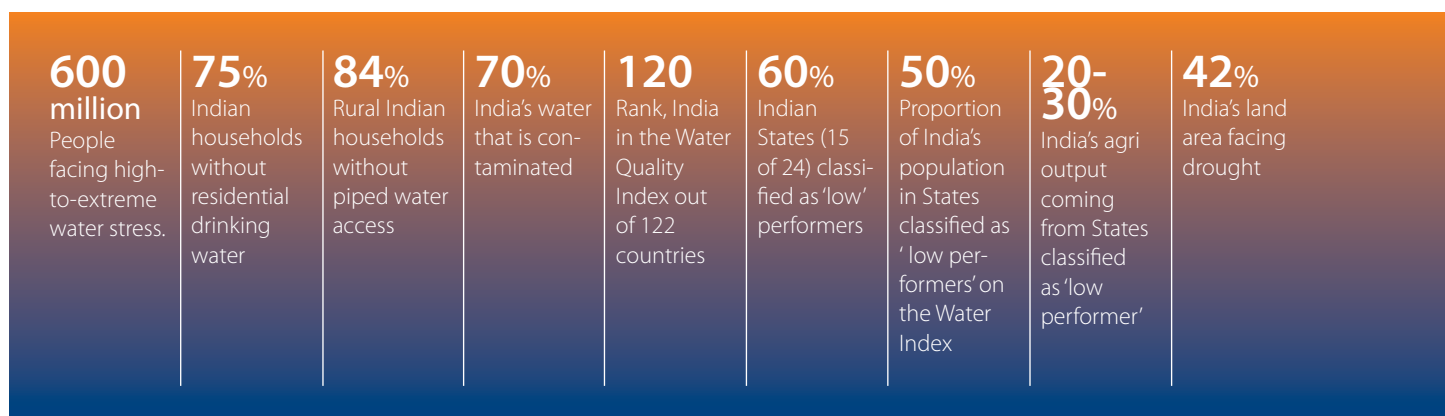
The Company's gearing was 0.25 during the year under review, reflecting the investment in enhanced manufacturing capacity. The total long-term debt during the year under review was ₹23.32 crore (as on 31 March 2020).

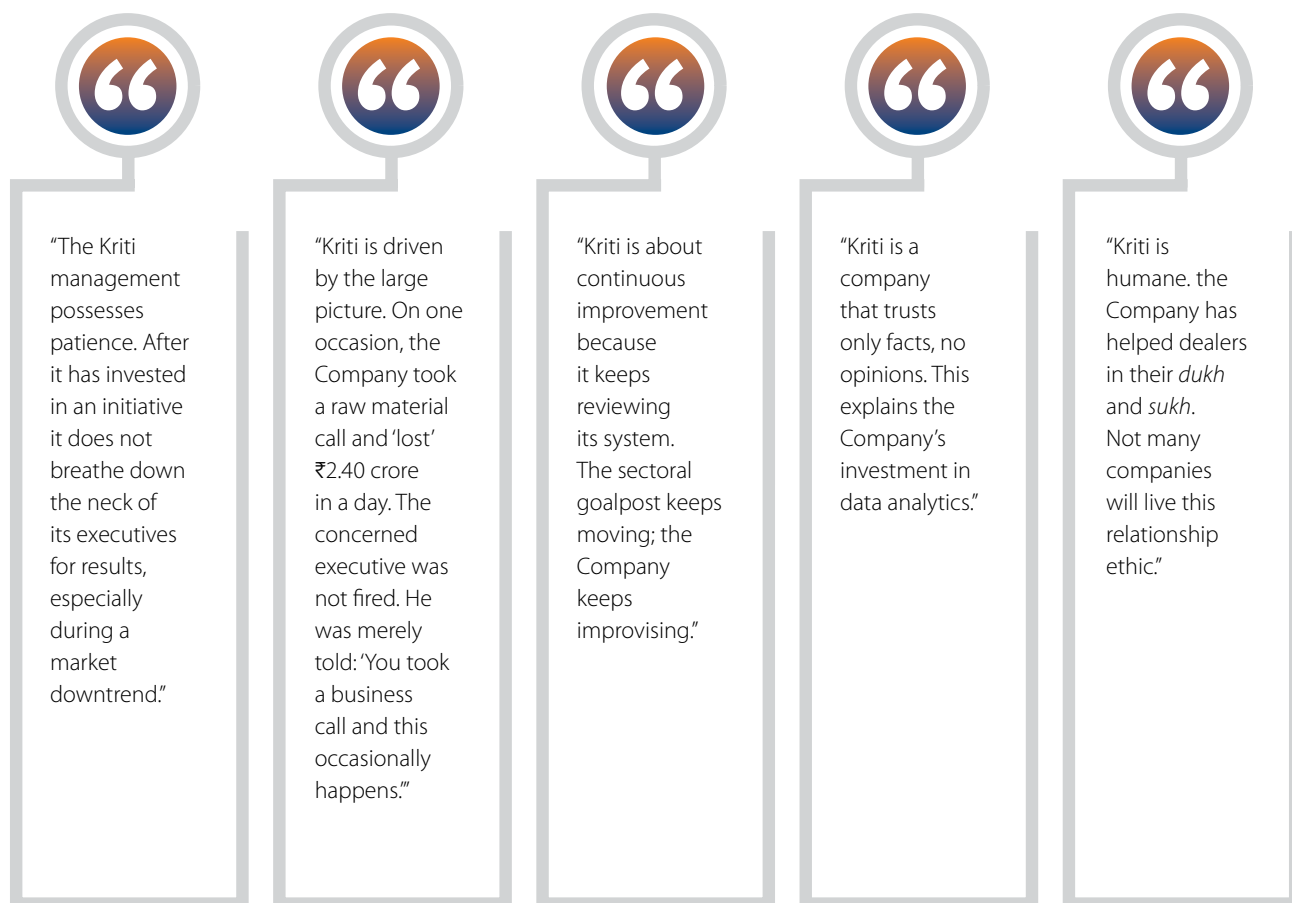
What I like about my company...

Employees speak



What makes India's water sector a nationally-critical growth story





6% India's land area classified as exceptionally dry (4x the spatial extent of drought in the previous year)	500 million Population of India's 'low performer' states in water availability	60% India's districts not prepared for drought	69.5 million, Hectares, India's micro-irrigation potential area	7.73 Million Hectares, India's estimated area with drip irrigation	21 Number of Indian cities facing water shortage that could run out of ground water by 2020	100 million Estimated number of people that could be affected if two Indian cities run out of water by 2021	65% India's irrigation supply supported by ground water	85% India's drinking water supply supported by ground-water
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(Sources: Drought Early Warning System, IIT-Indore, IIT-Guwahati, Intergovernmental Panel on Climate Change, India Spend, Niti Aayog and South Asia Groundwater Forum)

Management discussion and analysis

Global Economic Overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth

coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. The 'Great Lockdown', as a result of the pandemic Covid-19, is projected to

shrink global growth significantly starting from the calendar year 2020. (Source: *World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC*)

Global economic growth over six years

Year	2015	2016	2017(E)	2018	2019
Real GDP growth (%)	3.5	3.4	3.9	3.6	2.9

(Source: *World Economic Outlook, April 2020*] E: Estimated; P: Projected)

Indian Economic Review

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of US\$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

There was a decline in consumer spending that affected India's GDP growth during the year under review.

India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19. A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among

Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities.

Y-o-Y growth of the Indian economy

	FY17	FY18	FY19	FY20
Real GDP growth (%)	8.3	7	6.1	4.2

(Source: *World Economic Outlook, April 2020*] E: Estimated; P: Projected)

Growth of the Indian economy, 2019-20

	Q1, FY20	Q2, FY20	Q3 FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: *Economic Times, CSO, Economic Survey, IMF, EIU*)

Key Government Initiatives, 2019-20

National infrastructure pipeline:

To achieve a GDP of US\$ 5 trillion by 2025, the government announced a National Infrastructure Policy entailing an investment of ₹102 trillion in five years.

Corporate tax relief: The government moderated the corporate tax rate to 25%

from 35%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Outlook

Various forecasts have estimated a sharp de-growth in the Indian economy for the current financial year, the first such instance of de-growth in decades.

Indian pipes industry

India is one of the top three global pipe

manufacturers of the world. The demand for pipes is catalysed by the growth of agricultural, real estate, petroleum and telecom industries. The government has placed emphasis on the growth of the agricultural and real estate sectors, which

will eventually drive the demand for pipes. Along with this, favourable policies like the Smart City Mission, Pradhan Mantri Krishi Sinchai Yojana (PMKSY) and Swachh Bharat Mission, among others, are expected to increase the demand

for pipes. Superior quality of Indian pipes, coupled with a competitive cost advantage, has enabled India to increase pipe exports to United States, Europe, Nigeria, Malaysia, UAE, Thailand and Indonesia. (Source: Market Watch)

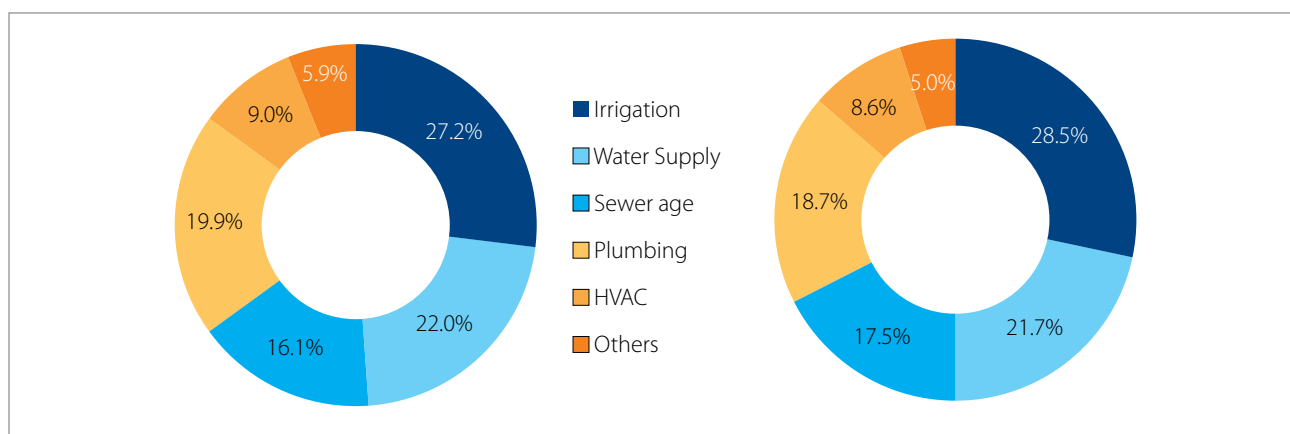
Indian polyvinyl chloride (PVC) market overview

The Indian polyvinyl chloride (PVC) market was pegged at US\$3539 million in 2018 and projected to grow at a CAGR of 4.5% between 2019 and 2027 to reach a market value of US\$ 5209.4 million. PVC pipes are light with a smooth surface, facilitating a faster flow of water compared to pipes made from iron or concrete.

By application, the PVC pipe market has been segmented into irrigation, sewerage, water supply, plumbing and HVAC applications, among others. The irrigation segment led with a market share of 27.2% in 2018 and is expected to reach a market share of 28.5% by 2027. The pipes are widely used in irrigation for their durability and economic advantage.

A rise in population and incomes is projected to drive the demand for the housing sector, which, in turn, could drive the demand for PVC pipes and fittings. Investment in India's real estate sector is likely to be driven by the Government's initiative of 'Housing for All' by 2022.

India PVC Pipes Market by Application



(Source: The Insight Partners)

Changing preferences and improving lifestyle of the Indian populace will also be a major factor that will drive the growth of the Indian pipe industry. Over the past several years, development of the agricultural sector has been the

government's priority and could continue to be so for the foreseeable future as it is the primary livelihood for nearly ~58% of India's population. The emphasis of the government to improve the national agricultural scenario is indicated in the

decision to double farm incomes by 2022. (Source: The Insight Partners, The Policy Times, IBEF, Economic Times)

Advantages of PVC pipes

- More durable compared to steel and concrete pipes
- Requires low maintenance and installation costs
- Safe for drinking water due to high-

- corrosion resistance
- More eco-friendly compared with other pipes and recyclable
- Higher resistance to harmful chemicals and disinfectants

- Easier to install and safer for workers
- Higher resistance to flame; ignition point of 450 degree Celsius

Growth drivers

Increased focus on agriculture:

The agricultural sector accounts for the livelihood of nearly 58% of the population. The Government made an allocation of ₹2.83 lakh for the Ministry of Agriculture in the Union Budget 2020-21, with plans of doubling farm incomes by 2022, a major driver of the Indian pipe

industry.

Water management: India is estimated to use 2-3x extra water per unit of crop compared to major agricultural nations like China, Brazil and United States. They could make a transition to drip irrigation from the conventional flood irrigation,

which would strengthen the demand for pipes and fittings.

Rising investments in real estate

sector: A rise in real estate investments has been driven by the growing demand for commercial office space and a rise in nuclear families.

Favourable government initiatives

Budget allocation: An allocation of ₹2.83 lakh has been made for agriculture and irrigation in the Union Budget 2020-21.

Smart City Mission: The Government has proposed the introduction of five Smart Cities in addition to the previous ones.

Krishi Udan Scheme: The Government

plans on improving value realisations in the northern and tribal districts by boosting exports in national and international routes.

Pradhan Mantri Krishi Sinchai Yojana (PMKSY):

The government plans on increasing rural prosperity by increasing availability of water to all agricultural farms, thereby increasing production and

productivity.

Doubling farm incomes: The Government intends to double farm incomes by 2022.

Swachh Bharat Mission: The Government plans to accelerate universal sanitation coverage across >4000 towns and cities, enhancing cleanliness and sanitation.

The Company's overview

The Company is engaged in the manufacturing of plastic polymer piping systems, moulded plastic products and accessories. Over the years, the Company has established itself as one of the most reputable players in the industry. It operates in the polymer segment catering to agriculture, building products, micro irrigation and infrastructure.

Application of products

Agriculture: RPVC pipe and fittings,

casing pipe, PE coils, sprinkler systems, submersible pipe, suction and garden pipe.

Building products: SWR and drainage pipe and fittings, CPVC and plumb pipe and fittings, garden pipe and water tank.

Micro irrigation: Micro-irrigation lateral (inline and online), sprinkler systems, RPVC pipes and fittings.

Infrastructure and Datacom: RPVC ring fit pipe (elastomeric) and fittings, HDPE

and MDPE (PE) Pipes and Fittings, PLB telecom duct and micro-ducts.

Financial performance

Revenues: Revenue during the year under review stood at ₹536.08 crore compared to ₹571.14 crore in FY2018-19.

Profit after tax: The Company registered a profit after tax of ₹19.23 crore compared to ₹6.61 crore in the previous year.

Key numbers

Particulars	2018-19	2019-20
Turnover (₹ crore)	569.01	534.21
Debt-equity ratio	0.37	0.25
Return on equity (%)	6.69	5.16
Book value per share (₹)	17.19	20.92
Earnings per share (₹)	1.33	3.88

Subsidiary Company (Impairment)

Kriti Auto & Engineering Plastics Private Limited is a fully-owned subsidiary of the Company. Automobile Industry has been going through difficult times. During the year under review, it achieved a gross

turnover of ₹14.49 compared to ₹18.64 crore in 2018-19. It also suffered a loss of ₹0.74 crore during the year under review compared to a net loss after tax of ₹0.61 crore in 2018-2019. The holding

Company Kriti Industries (India) Limited impaired the investment by making a provision of 15% in its books of accounts amounting to ₹116.55 lakh.

Risk Management

Economic risk

The business may underperform as a result of the economic slowdown.

Mitigation: The GDP growth of the country is expected to de-grow during the current year on account of weaker consumer sentiment arising out of the pandemic. This, coupled with the government's plans of doubling farm incomes by 2022, is projected to increase irrigation activities, which in turn, could drive the demand for pipes.

Product risk

The Company's inability to manufacture different products could hurt offtake.

Mitigation: The Company is engaged in the manufacturing of polymer pipes, primarily Poly Vinyl Chloride (PVC) and Poly Ethylene (PE), suitable for potable water supply, irrigation, building construction and infrastructure. The wide portfolio of products will enable the Company to cater to the different market segments, thereby enhancing visibility.

Competition risk

Increasing number of competitors could hurt profitability of the Company.

Mitigation: Over the years, the Company has established itself as one of the most trusted companies in its sector by providing quality service and products. A larger proportion of the Company's primary (trade partners) and institutional customers have worked with the Company for >5 years.

Information Technology

The Company successfully implemented SAP HANA, which enabled the business to enhance business analytics and efficiency, which in turn, increased operational efficiencies. The Company

continues to invest in Information Technology (IT) viz. SAP Enterprising Resource Planning System, CRM, HRM and Sales Force Mobility with the objective of strengthening its

infrastructural base and operational efficiencies. Constant upgradation of technology will result in the growth of the Company for the foreseeable future.

Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. We have developed well-documented guidelines, procedures for authorisation and approvals which include processes such as audits. Integral to the overall governance, we have a well-established

internal audit frame work which extensively covers all aspects of financial and operational controls, covering all units, functions and departments. The Company also has an efficient financial reporting system in place. Our internal audit team consists of senior members across various functional departments some of whom are also key managerial personnel of the Company. They

actively engage in the evaluation and improvement of various functions and activities of the Company including restaurant operations and other support functions and departments. The Company also has an Internal Audit cell which supports the Audit Committee besides the independent review of internal controls, operating systems and procedures by external auditors.

Human resources

The Company employed 530 officers and workmen as on 31st March 2020. Increase in the value of human capital through the development of individual and collective competencies has helped the Company stay in step with market

developments and requirements. the Company implemented programs and projects related to skill development and up gradation of employee competence. Programmes of knowledge sharing were conducted. A number of innovative

ideas received from employees were implemented, resulting in enhance quality, cost optimisation and productivity.

Cautionary statement

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy

for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus differ materially

from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

NOTICE

NOTICE is hereby given that the **30th Annual General Meeting (AGM)** of the Members of Kriti Industries (India) Limited will be held on Saturday the 8th August, 2020 at **3:00 PM** through Video Conferencing or Other Audio Video Means (OAVM) for which purposes the corporate office of the company situated at **8th Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.)** shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

ORDINARY BUSINESSES

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss, Cash Flow, Change in Equity and notes thereto of the Company for the Financial Year ended 31st March 2020 and the reports of the Board of directors and Auditors thereon as on that date.
2. To declare dividend on 4,96,03,520 equity shares of Re. 1/- each for the Financial Year ended 31st March, 2020.
3. To appoint a director in place of Mr. Shiv Singh Mehta (DIN:00023523) who retires by rotation at this Annual General Meeting 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 provisions of section 139 of the Companies Act, 2013, M/s Rakesh Kumar and Associates, Chartered Accountants (FRN 002150C) be and are hereby re-appointed for the second term as Auditors of the company to hold the office from the conclusion of this meeting to the conclusion of the 35th Annual General Meeting to be held in the year 2025 on such remuneration as shall be fixed by the Board of Directors of the Company".

SPECIAL BUSINESSSES

5. **TO RATIFY THE REMUNERATION PAYABLE TO THE COST AUDITORS**

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 provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the members of the

Company be and hereby ratify the payment of remuneration of ₹30,000 (Rupees Thirty Thousand Only), plus applicable taxes and reimbursement of out of pocket expenses at actuals to Mr. S.P.S.Dangi, Cost Accountant, Indore (Registration No. 100004) appointed by the Board of Directors of Company on the recommendation of the Audit Committee, as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. **RE-APPOINTMENT OF MR. CHANDRASEKHARAN BHASKAR (DIN: 00003343) AS AN INDEPENDENT DIRECTOR:**

To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr.Chandrasekharan Bhaskar (DIN:00003343), who was appointed as an Independent Director upto the 1st term of 5 years ending on 11th May, 2021 and being eligible, and has submitted a declaration for his independence and upon recommendation of the Nomination and Remuneration Committee and the Board of directors, Mr.Chandrasekharan Bhaskar be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, w.e.f. 12th May, 2021 to 11th May, 2026."

Date: 29th June, 2020

Place: Indore

Kriti Industries (India) Limited

CIN: L25206MP1990PLC005732

Registered Office:

Mehta Chamber, 34 Siyaganj,

Indore-452007

By order of the Board

Apeksha Baisakhiya

Company Secretary

& Compliance officer

ACS 53813

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the MCA dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, and independent agency for providing necessary platform for Video Conference/OAVM and necessary technical support as may be required. Therefore, the facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL.
6. The Notice calling the AGM along with complete Annual Report has been uploaded on the website of the Company. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. www.evotingindia.com.
7. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
8. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company - <http://kritiindustries.com> as soon as possible after the Meeting is over.
9. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website - <http://kritiindustries.com>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL <https://www.evotingindia.com>. However, if any specific request received from the members for demanding of the physical copy of the Annual Report will be provided by the company but subject to time taken by the courier and Postal Department looking to the Covid-19.
10. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
11. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Ankit Consultancy Private Limited, the Share Transfer Agent (in case of shares held in physical mode) and to the concerned depositories. (in case of shares held in demat mode)

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to cs1@kritiindia.com by 11:59 p.m. IST on 4th August, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs1@kritiindia.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 24 2020.

12. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.
13. Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 2nd August, 2020 to Saturday, 8th August, 2020 (both days inclusive) for the Annual General Meeting and ascertainment for entitlement of payment of dividend to the members whose names appear in the Register of members and the records of the beneficiaries of the CDSL and NSDL on the date of the Annual General Meeting.

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 1st August, 2020 Saturday.**

14. CS Ishan Jain, Practicing Company Secretary (F.R.No. I2014MP1139600, M. No. FCS 9978 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
15. 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 at its email ID cs1@kritiindia.com so that the information required may be made available at the Meeting.
16. The Members are requested to:
 - a) - Intimate changes, if any, in their registered addresses immediately.
 - b) - Quote their ledger folio number in all their correspondence.
 - c) - Send their Email address to us for prompt communication and update the same with their D.P to receive softcopy of the Annual Report of the Company

17. Members are requested to notify immediately any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id ankit_4321@yahoo.com, rtaindore@gmail.com to receive the soft copy of all communication and notice of the meetings etc., of the Company.
18. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board Report.
19. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 30th AGM. Members seeking to inspect such documents can send an email to cs1@kritiindia.com.
20. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company is in process to transfer the equity shares in respect of which (Dividend year 2012-13) dividend has not been claimed encashed for 7 or more consecutive years to the Investor Education and Protection Fund Authority (IEPF) of the Central Government. The Company has sent letters to the concerning shareholders whose dividend has not been claimed/encashed for 7 or more consecutive years. The details of such shareholders are posted on the website of the Company at <http://kritiindustries.com>. Please note that the shares so transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.
21. As per SEBI Circular dated 20th April, 2018 such shareholders holding shares of the company in the physical form are required to provide details of the Income Tax Permanent Account No. and Bank Account Details to the Share Transfer Agent of the Company, Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id ankit_4321@yahoo.com, rtaindore@gmail.com .
22. Due dates for transfer of unclaimed/unpaid dividends and the amount remained unclaimed which may be transferred if continuing remain unpaid and or the balance amount if claimed by the shareholders for transfer thereafter the same to IEPF are as under:

F.Y. Ended	Declaration Date	Due Date for transfer to IEPF	Amount remains unpaid/unclaimed as at 31.03.2020 (₹)
2012-13	14/09/2013	21/10/2020	264851.55
2013-14	25/09/2014	01/11/2021	273279.60
2014-15	-	-	-
2015-16	11/08/2016	18/04/2023	325919.34
2016-17	12/09/2017	19/10/2024	291355.65
2017-18	31/07/2018	12/09/2025	194989.05
2018-19	14/08/2019	19/09/2026	165891.30

23. Voting through electronic means

Members are requested to carefully read the below mentioned instructions for remote e-voting before casting their vote.

- (i) The voting period begins on 5th August, 2020 (Wednesday) and ends on 7th August, 2020 (Friday). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iv) Click on "Shareholders" module
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant the first two letters of their name and the 8 digits of the sequence number in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
 - (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN for the relevant "Kriti Industries (India) Limited" on which you choose to vote.
 - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

24. Process for those shareholders whose email addresses are not registered with the Depositories for obtaining Login Credentials for E-Voting for the Resolutions proposed in this notice:

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs1@kritiindia.com / rtaindore@gmail.com.
- ii. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of

PAN card), AADHAR (self attested scanned copy of Aadhar Card) cs1@kritiindia.com/ rtaindore@gmail.com.

- iii). The company/RTA shall co-ordinate with CDSL and provide the login credentials to the abovementioned shareholders.

25. Instructions for shareholders attending the AGM through VC/OAVM are as under:

- i). Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com/under_shareholders/members_login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed
- ii). Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii). Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv). Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v). Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs1@kritiindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs1@kritiindia.com (company email id). These queries will be replied to by the company suitably by email.
- vi). Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

26. Instructions for shareholders for E-Voting during the AGM are as under:-

- i). The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii). Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

- iii). If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

- iv). Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

27. Note for Non – Individual Shareholders and Custodians

- i). Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ii). A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- iii). After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv). The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- v). A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi). Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs1@kritiindia.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

28. Members 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).
29. Any person, who acquires shares of the Company and become member of the Company after mailing of the notice and holding shares as on the cut-off date i.e. 01st August, 2020 (Saturday), may obtain the login ID and password by sending a request at rtaindore@gmail.com.
30. 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 i.e. 01st August, 2020 (Saturday) only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
31. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
32. The Results of the voting on the resolutions along with the report of the Scrutinizer shall be declared and placed on the website of the Company - <http://kritiindustries.com> and on the website of CDSL 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 Ltd.
33. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:
M/s. Ankit Consultancy Pvt. Ltd.
60, Electronic Complex,
Pardeshipura, Indore (M.P.) 452010
Tel: 0731-4281333, 4065797/99
E-mail: ankit_4321@yahoo.com, info@ankitonline.com
34. As the 30th AGM is being held through VC, the route maps is not annexed to this Notice.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT/CONTINUANCE OF APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Mr. Shiv Singh Mehta	Mr.Chandrasekharan Bhaskar
DIN	00023523	00003343
Date of Birth	03.03.1954	03.05.1955
Date of Appointment	04.09.2015	12.05.2016
Qualification	B.E., MBA	B.Tech.(Chem.) MIMA, PGDM
Expertise in specific area	Finance, Marketing, Technical and Business Administration	Operational Management, marketing and General Management.
List of Outside Directorship held	Sakam Trading Private Limited Rajratan Global Wire Limited Kriti Nutrients Limited Organization of Plastics Processors of India Kriti Auto & Engineering Plastics Pvt. Ltd.	Kriti Nutrients Limited Xpro India Limited Xpro Global Ltd. Xpro Global Pte. (Singapore) Holland & Sherry India Pvt. Ltd. Organization of Plastics Processors of India
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman:- Nil Member:- 1. Stakeholder Relationship Committee	Chairman: Stakeholders' Relationship Committee Member: Nomination & Remuneration Committee
No. of Equity Shares held	20,67,299 (4.17%)	

Brief Resume

1. Mr. Shiv Singh Mehta:

Mr. Shiv Singh Mehta holds a Bachelor degree in Electrical Engineering and Masters Degree in Business Administration is the founder, core promoter and Managing Director of the Company. Kriti Group of Industries comprises of Kriti Industries (India) Ltd, Kriti Nutrients Ltd. and Kriti Auto Engineering & Plastics Pvt. Ltd. having an annual turnover about ₹1000 crore.

2. Mr. Chandrasekharan Bhaskar:

Mr. Chandrasekharan Bhaskar has an experience of over 40 years in Consulting and in Industry including 5 years with Tata Sons Limited/ Tata Economic Consultancy Services, and 35 years with Xpro India Limited. He has worked in areas of Corporate and Business' planning, Market Research, Asset Revaluation, Diversification / Disinvestment, Marketing, Operations and Factory Management, and as Divisional/ Business Head.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Members are hereby informed that upon the recommendation of the Audit Committee, Board of Directors of your Company proposes for the re-appointed M/s Rakesh Kumar & associates, Chartered Accountants (F.R.No. 002150) and is having valid Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the SEBI (LODR) Regulations, 2015 as the Statutory Auditors of the Company for the second term of 5 (Five) Years upon expiry of the 1st Term of five year on the conclusion of this ensuing annual general meeting. The proposed auditor firm is a partnership concern having more than 2 partners and therefore, eligible for re-appoint on the second term of 5 (five) years on the remuneration plus applicable taxes and reimbursement of out of pocket expenses at actual as may be approved by the Audit Committee. The Statutory Auditors has given their consent and eligibility certificate for their re-appointment as the Statutory Auditors, will be available for inspection of the Members electronically during the 30th AGM. Members seeking to inspect such documents can send an email to cs1@kritiindia.com, during business hours up to the date of the Meeting.

Your Board of directors recommends passing necessary ordinary resolution as set out in the Item No. 4 of the Notice.

None of the Directors, Key Managerial Personal or their relatives are concerned or interested financial or otherwise in the aforesaid resolution.

Item No. 5:

Members are hereby informed that upon the recommendation of the Audit Committee, Board of Directors of your Company has re-appointed Mr. S.P.S. Dangi, Cost Accountant, Indore as Cost Auditors of the Company for the year 2020-21 on the remuneration of ₹30,000/-, plus applicable taxes and reimbursement of out of pocket expenses at actual. The Cost Auditor regarding has given his consent and eligibility for appointment as Cost Auditor, will be available for inspection of the Members electronically during the 30th AGM. Members seeking to inspect such documents can send an email to cs1@kritiindia.com, during business hours up to the date of the Meeting.

As per section 148(3) read with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders in General Meeting. Thus, the Members approval is solicited for the resolution set out in Item No. 5 of the Notice by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personal or their relatives are concerned or interested financial or otherwise in the aforesaid resolution.

Item No. 6

Mr. Chandrasekharan Bhaskar (DIN: 00003343) was appointed as the Independent Directors of the Company to hold office as Independent Director upto 11th May, 2021 ("first term").

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended for his re-appointment as the Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, it is proposed to re-appoint him as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years w.e.f. 12th May, 2021 on the Board of the Company.

Aforesaid independent director proposed for re-appointment is not disqualified to act as a Director in terms of section 164 of the Act and other applicable laws and has given his consent to act as a Director. The Company has also received declaration from him stating that he meets the criteria of independence as prescribed under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. In the opinion of the Board, he fulfils the criteria of independency and the conditions for his re-appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015.

He shall be paid remuneration by way of fee for attending meetings of the Board, the Committee of the Board as well as members meeting from time to time. Copy of draft letter of re-appointment setting out the terms and conditions of the re-appointment is available for inspection by the members at the Registered Office and on the website of the Company.

The aforesaid director may be deemed to be interested in the resolution to the extent of the fee for attending the meetings as may be payable, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Your directors recommend to pass the resolution as set out in the Item No. 6 of the Notice by way of special resolution.

Date: 29th June, 2020

Place: Indore

Kriti Industries (India) Limited

CIN: L25206MP1990PLC005732

Registered Office:

Mehta Chamber, 34 Siyaganj,

Indore-452007

By order of the Board

Apeksha Baisakhiya

Company Secretary

& Compliance officer

ACS 53813

DIRECTORS' REPORT

Dear members,

Your Directors are pleased to present their 30th Annual Report on the affairs of the Company together with the Consolidated and Standalone Audited Financial Statements for the Financial Year ended on 31st March, 2020.

FINANCIAL HIGHLIGHTS

The summarized financial results for the year vis-a-vis the previous year are as follows:

(₹ in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	53421.73	56901.57	54871.60	58765.93
Other Income	187.16	212.12	170.30	214.80
Total Revenue	53608.89	57113.69	55041.90	58980.73
Operating Expenses	48895.62	53993.39	50359.43	55840.31
EBITDA	4713.27	3120.30	4682.47	3140.42
Finance Cost	1725.71	1477.20	1744.74	1517.16
Depreciation	715.16	596.29	743.50	624.63
Profit/ (Loss) before Exceptional Items and Tax	2272.40	1046.81	2194.23	998.63
Exceptional Items (Impairment Loss)	116.55	-	116.55	-
Tax Expenses	231.93	385.31	228.62	397.95
Profit/ (Loss) after Tax	1923.92	661.50	1849.06	600.68

OPERATIONAL PERFORMANCE

During the Financial Year ended on 31st March, 2020, your Company has achieved on standalone basis a operational turnover of ₹53421.73 Lakhs as against an operational turnover of ₹56901.57 Lakhs in the previous Financial Year and the Profit after Tax is ₹1923.92 Lakhs as against Profit after Tax of ₹661.50 Lakhs in the previous Financial Year. The profit margin of the company has been substantially increased as compared to the previous year due to the strict control of the operating and financial cost.

On consolidate basis your Company achieved operational turnover of ₹54871.60 Lakhs as against operational turnover of ₹58765.93 Lakhs in the previous Financial Year and Profit After Tax of ₹1849.06 Lakhs as against Profit after Tax of ₹600.68 Lakhs in the previous Financial Year.

COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services for all our customers globally. Since the Company is the manufacturer of premium quality piping products and solution, accessories, gas

piper, telecom ducts, submersible pipes and casing pipes, the operations of the plant was completely closed from 25th March 2020 to 26th April 2020. After 26th April 2020, plant was in operation at 30% level and gradually improved to around 50-60% level. However, workers attendance was very low due to restrictions on movements. Resulting, part working of the plant initially effected and the same is being improved gradually. The Plant is operating with complete compliance of all directives related to maintaining of Social Distancing and mandatory to wear face mask and have proper sanitizations.

It is expected that there will be good demand for agricultural pipes but institutional sales will depend upon government initiatives for infra projects. Thus, impacting Companies profitability to some extent though, your Board is confident about the adequate management of the liquidity position of the Company.

DIVIDEND

Your directors pleased to recommend a dividend @ 15% (₹0.15/-per equity shares of Re. 1/- each on 4,96,03,520 Equity Shares) for the Financial Year 2019-20 aggregating to ₹74.40 Lakhs (Previous year @ 15% (₹0.15/-per equity shares of Re. 1/- each on 4,96,03,520 Equity Shares) payable to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date i.e. 1st August, 2020

Members are requested to note that, pursuant to Finance Act, 2020, dividend, if any, declared by the Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates as notified by the Finance Act, 2020.

CHANGE IN CONTROL AND NATURE OF BUSINESS

There is no change in control and nature of business activities during the period under review.

BUSINESS TRANSFER

There is no transfer of business during the period under review.

TRANSFER TO RESERVES

During the year, the Company has not transferred any amount to the general reserves or any other reserves. However, in previous year ₹50.00 Lakhs was transferred to the general reserves.

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March 2020 was ₹496.04 Lakhs divided into 4,96,03,520 equity shares of Re. 1/- each. There is no change in Equity Share Capital of the Company during the year, the shares of the Company's are listed and traded at the BSE Ltd.

DEPOSITS

Your Company has not accepted deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31st March, 2020. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

S. No.	Particulars	Amt in ₹
1.	Details of Deposits accepted during the year	Nil
2.	Deposits remaining unpaid or unclaimed at the end of the year	Nil
3.	Default in repayment of deposits	N.A.
	At the beginning of the year	
	Maximum during the year	
	At the end of the year	
4.	Deposits not in compliance with law	N.A.
5.	NCLT/ NCLAT orders w.r.t. depositors for extension of time and penalty imposed	N.A.

Further your Company is in process to file Form DPT-3 for the F.Y. ended on 31.03.2020 for the amount received by the Company which is not under the purview of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

The Members at the 29th Annual General Meeting of the Company held on 14th August, 2019, pursuant to the provisions of Section 152 approved the appointment of Mr. Saurabh Singh Mehta (00023591), Director, who was liable to retire by rotation and being eligible offered himself for reappointment and the members at the 29th Annual General Meeting, have re-appointed Mrs. Purnima Mehta as the Whole Time Director of the Company for a term of 3 years w.e.f. 1st July, 2019 to 30th June, 2022.

In accordance with the provisions of section 149,152 and schedule IV of the Companies Act, 2013, the two Independent directors namely CA Manoj Fadnis and Mr. Rakesh Kalra were re-appointed for a second term of five consecutive years commencing from 1st April, 2019 till 31st March, 2024 by the members at the 29th Annual General Meeting of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shiv Singh Mehta (DIN 00023523), Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) Regulations, Shri Chandrasekharan Bhaskar (DIN: 00003343), proposed for re-appointed as an Independent Director of the Company in the ensuing Annual General Meeting, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, w.e.f. 12th May, 2021 to 11th May, 2026."

Necessary information on the Director (s) seeking appointment/reappointment has been given in the Notice of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Board considered and formed an opinion that the independent directors meet the criteria of independence as required under the Companies Act, 2013 and the SEBI (LODR) Regulations 2015.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnels (KMPs) of the Company during the period under review:

- Mr. Shiv Singh Mehta (DIN 00023523), Chairman & Managing Director;
- Mrs. Purnima Mehta (DIN 00023632), Whole-time Director;
- Mr. Kamal Kanodia, Chief Financial Officer;

- iv) Ms. Preeti Sharma, Company Secretary and Compliance Officer (ceased w.e.f. 4th November, 2019);
- v) Ms. Apeksha Baisakhiya, Company Secretary and Compliance Officer (appointed w.e.f. 26th February, 2020).

There is no change in the KMPs of the Company except the resignation and appointment of the Company Secretary and Compliance Officer during the period under review.

BOARD EVALUATION

The Board of Directors of the Company is committed to get its performance evaluated in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee (NRC) has established the process for evaluation of performance of Directors including Independent Directors, the Board and its Committees. The evaluation of performance of Executive Directors is done by Independent Directors.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be based on the outcome of the evaluation process.

During the year under review as per the policy for the performance evaluation, formal evaluation of performance of Directors including Independent Directors, the Board and its Committees was made by the Independent Directors and the NRC in their respective meetings and the evaluation result was placed before the Board for its information and consideration.

MEETINGS

During the year five (5) Board 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/SEBI (LODR) Regulations, 2015.

NOMINATION & REMUNERATION POLICY

The Company has a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and for determination of their remuneration. The salient features of Nomination & Remuneration Policy is stated in the Corporate Governance Report. The Nomination & Remuneration Policy duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>

COMMITTEES OF THE BOARD

In accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and other purposes the Board has the following four (4) committees:

- i). Audit Committee
- ii). Nomination and Remuneration Committee
- iii). Stakeholders' Relationship Committee

- iv). Corporate Social Responsibility Committee

Apart from the aforesaid committees under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 the Company has also constituted Internal Complaint Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013. A detailed note on the Committees is provided in the Corporate Governance Report.

HOLDING, SUBSIDIARY COMPANY AND ASSOCIATE COMPANY

Kriti Auto & Engineering Plastics Private Limited is the Wholly Owned Subsidiary of your Company, Statement in respect of the same, as required under section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC-I, is attached as "Annexure A" and forms part of this report.

The Wholly owned Subsidiary of the Company, Kriti Auto & Engineering Plastics Private Limited, is working in the Automobile industry. The Automobile industry has been going through difficult times, due to the outbreak of COVID-19 and consequent global lockdown. During the year under review, the operational turnover of ₹1449 Lakhs has been observed as against an operational turnover of ₹1864 Lakhs in the previous Financial Year. Thus, your Company, being the holding company has impaired the investment by making provisions of 15% in its books of accounts amounting to ₹116.55 lakhs.

Further that your company is a subsidiary of Sakam Trading Private Limited which holds about 52.10% of the total paid-up capital of the company

RELATED PARTY TRANSACTIONS

During the period under review, all related party transactions that were entered 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, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Since, there is no material related party transactions in the company. Therefore, the company is not required to attach Form AOC-2 with this report.

Separate disclosure as per regulation 34(3) and 53(f) of SEBI (LODR) Regulations, 2015 is made in the report. The policy on Related Party Transactions duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>.

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on CSR activities is attached as "Annexure B" and forms a part of this Report. The salient features of CSR policy are stated in aforesaid Report on CSR activities. The policy on CSR duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>.

DISCLOSURE FOR PARTICULARS OF EMPLOYEES

The information required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended in respect of employees of the Company forming part of Directors' Report is given in "Annexure C" to this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as "Annexure D" and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investment are given in the notes to the Financial Statements. Hence no further disclosure is being given here to avoid repetition.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 along with the requisite certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of the corporate governance is appended and forms a part of this report along with the certificate of Disqualification of Directors received from Practising Company Secretary as the Annexure 1 and 2 of the Corporate Governance Report.

RISK MANAGEMENT

The Company has a well defined process to ensure the risks are identified and mitigation steps are put in place. The Company's Risk Management process focus on ensuring that these risks are identified on a timely basis and reasonably addressed. The Audit Committee oversees financial risks and controls. Major risks are identified by the businesses and functions and these are systematically addressed through mitigating actions on continuing basis.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for -

- A. adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- B. direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Details of the Vigil Mechanism Policy are made available on the Company's website <http://kritiindustries.com/> and have also been provided as "Annexure E" of part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:-

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) 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 31st March, 2020 and of the statement of profit and loss of the Company for that period;

- c) 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;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) 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.

INTERNAL CONTROL AND THEIR ADEQUACY

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been established in the Company and that such controls are adequate and operating effectively. The Company has laid down certain guidelines and processes which enables implementation of appropriate internal financial controls across the organization. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Statutory Auditors in their audit report have opined that these controls are operating effectively. The Audit team develops an audit plan based on the risk profile of the business activities. The annual internal audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors.

The Board has implemented systems to ensure compliance of all applicable laws. These systems were effective and operative. At every quarterly interval, the Managing Director and the Company Secretary place before the Board a certificate certifying compliance of laws and regulations as applicable to the business and operations of the Company after obtaining confirmation from all business unit and functional heads responsible for compliance of such applicable laws and regulations.

During the Financial Year, no frauds were reported by auditors in terms of section 143(12) of the Companies Act, 2013.

EXTRACTS OF ANNUAL RETURN

The particulars forming part of the extract of the Annual Return in Form MGT-9 is annexed to this report as "Annexure F" and the copy of the Annual return of the Company is placed on the company's website- <http://kritiindustries.com/>.

AUDITORS & THEIR REPORT

The shareholders at their 25th Annual General Meeting (AGM) held on 24th September, 2015 had approved the appointment of M/s. Rakesh Kumar & Associates, Chartered Accountants (FRN: 002150C), Indore as Statutory Auditors to hold office for the period of 5 years from the conclusion of 25th AGM till the conclusion of 30th Annual General Meeting, therefore, their first term of 5 years will be completed on conclusion of the ensuing AGM of the Company. The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the reappointment of M/s Rakesh Kumar & Associates, as the Statutory Auditors of the Company for a further period of five years (Second Term) being the auditors firm having more than 2 partners and having given certificate of eligibility and having valid peer review certificate as issued by the ICAI from the conclusion of the ensuing 30th AGM till the conclusion of the 35th AGM. Your Board recommended for the approval of the Members for the re-appointment and authority to the Board and Audit Committee to fix the remuneration of M/s Rakesh Kumar & Associates.

The Auditors Report and the Notes on financial statement for the year 2019-20 referred to in the Auditor's Report are self-explanatory and does not contain any qualification, reservation or adverse remark, therefore, do not call for any further comments.

COST AUDITOR

Your company is maintaining the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is required to be maintained by the Company and accordingly such accounts and records are made and maintained. In pursuance of Section 148 of the Companies Act, 2013, your Directors appointed Mr. S.P.S.Dangi, Cost Accountant, (FRN 100004) Indore to conduct the Audit of the Cost Accounting records for the financial year 2019-20. The Company is in process to file the Cost Audit Report for the year 2019-20 to the Central Government. The Cost Audit Report does not contain any qualification, reservation or adverse remark which needs further clarification by the management of the Company.

The Board on the recommendation of the Audit Committee, at its meeting held on 29th June, 2020 has re-appointed Mr. S.P.S.Dangi as the Cost Auditors to conduct the Audit of the Cost Accounting records for the financial year 2020-21. As required under section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders.

Therefore, the Board of Directors recommend the remuneration payable to Mr. S.P.S.Dangi, Cost Auditors for the financial year 2020-21 for the ratification by the Members in the ensuing 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 Board appointed M/s. Kaushal Agrawal & Co., Company Secretaries, Indore to conduct Secretarial Audit for the financial year 2019-20. The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 29th June, 2020 has appointed M/s. Kaushal Agrawal & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March, 2020 in Form MR-3 is attached as "Annexure G" and forms part of this Report. The observations made by the secretarial auditor in their report are self explanatory, hence no further explanation is required.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs, the unclaimed and unpaid dividends amount for the year 2012-13 is required to be transferred to IEPF in the due date as specified in the Notice of the AGM and shares of the respective shares on which no dividend is claimed for a consecutive 7 (Seven) years will also be transferred to IEPF Authority as per the requirement of the IEPF rules on due date. The details related to dividend remains unpaid-unclaimed in the Company has been given in the Corporate Governance Report attached with the annual report of the Company. The details of the nodal officer appointed by the company under the provisions of IEPF is available on the Company's website at <http://kritiindustries.com/>

An amount of ₹2,49,593/- in respect of unpaid/unclaimed dividend declared for the FY 2011-2012 was transferred to the Investor Education and Protection Fund Authority as well as 1,36,239 equity shares of face value of ₹1 each, in respect of unpaid/unclaimed dividend declared in FY 2011-2012, was also transferred and credited to the IEPF Authority by the Company during the year ended 31st March, 2020.

The investors may claim their unpaid dividend and the shares from the IEPF Authority by applying in the Form IEPF-5 and complying with the requirements as prescribed.

SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There is no complaints received during the year:

PROVISION OF VOTING BY ELECTRONIC MEANS THROUGH REMOTE EVOTING AND EVOTING AT THE AGM:

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through Video Conferencing/ OVAM and no physical meeting will be held and your company has make necessary arrangements with CDSL to provide facility for remote e-voting and e-voting at AGM. The details regarding e-voting facility is being given with the notice of the Meeting.

GENERAL

Your Directors state that during the year under review:

- a) The Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- b) Neither the Managing Director nor the Whole-time Directors receive any remuneration or commission from its subsidiary.

- c) The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.
- d) There have been no material changes and commitments affecting the financial position of the Company which have occurred between financial year ended on 31st March, 2020, to which the financial statements relate and the date of this report.

ACKNOWLEDGEMENT

Your Directors place on record, their sincere appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions, Business Associates and investors and all other stakeholders. The Directors also record their appreciation for the dedicated services rendered by all the Executive Staff and Workers of the Company at all levels in all units and for their valuable contribution in the working and growth of the Company.

For and on behalf of the Board of Directors

Shiv Singh Mehta

Chairman & Managing Director
(DIN: 00023523)

Date: 29th June, 2020
Place: Indore

ANNEXURE - A

Form AOC-I

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES AS ON 31.03.2020

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

S. No	Name of Subsidiary	Kriti Auto Engineering & Plastics Private Limited
1.	The date since when subsidiary was acquired	01/03/2007
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
4.	Paid up share capital	3,88,50,000
5.	Reserves & surplus	(84,72,000)
6.	Total assets	11,20,00,000
7.	Total Liabilities	11,20,00,000
8.	Investments	-
9.	Turnover including other income	14,51,43,000/-
10.	Profit/(Loss) before taxation	(78,17,000)
11.	Provision for taxation	(3,31,000)
12.	Profit after taxation	(74,86,000)
13.	Proposed Dividend	-
14.	% of shareholding	100
15.	Names of subsidiaries which are yet to commence operations	N.A.
16.	Names of subsidiaries which have been liquidated or sold during the year	N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NOT APPLICABLE -

The Company does not have any Associates and Joint Ventures as on 31st March, 2020.

As per our report of even date

M/s Rakesh Kumar and Associates

Chartered Accountants

FRN:002150C

For and on behalf of the Board

Rakesh Kumar Gupta

Partner

M.No:070906

Shiv Singh Mehta

Chairman & Managing Director

DIN: 00023523

Kamal Kanodia

Chief Financial Officer

Place: Indore

Date: 29/06/2020

Purnima Mehta

Whole time Director

DIN: 00023632

Apkesh Baisakhiya

Company Secretary

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programme:

The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

The Policy lays down the guiding principles that shall be applicable to the CSR projects / programme / activities of the Company.

The Board of Directors approved this Policy, on the basis of the recommendations of the CSR Committee.

Objective of the Policy:

- Lay down the broad guidelines for the Company to undertake its CSR projects / programme / activities;
- set up the approach of the Company towards the CSR initiatives;
- define the CSR activities that the Company undertakes to carry out and
- fix the timelines, monitoring and implementation mechanism with respect to CSR activities.

The CSR Policy of the Company is available on Company Website at: <http://kritiindustries.com/>

2. The Composition of CSR Committee is as follows:

- Mr. Shiv Singh Mehta, Chairman
- Mrs. Purnima Mehta, Member
- Mr. Rakesh Kalra, Member

3. Average Net Profit of the Company for last three financial years:

₹1254.98 lakhs

4. Prescribed CSR Expenditure

(two percent of the average Net Profit of the Company for the last three financial years): ₹25.09 Lakhs

5. Details of CSR expenditure for the financial year 2019-20:

- Previous unspent amount (upto 2018-19) : ₹56.56 Lakhs
- Amount required to be spent for the year 2019-20 : ₹25.09 Lakhs
- Total Amount to be spent till 31.03.2020 : ₹81.66 Lakhs
- Total amount spent during the financial year : ₹13.73 Lakhs
- Amount remains unspent upto 31.03.2020, if any : ₹67.93 Lakhs

Manner in which the amount spent during the financial year 2019-20 is detailed below:

S. No.	Projects / Activities	Sector in which the Project is covered	Location	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: *Direct or through implementing agency
1.	Gautam Kala Sangeet Gurukul Samiti	Promotion of Art & Culture	Indore	2,00,000/-	2,00,000/-	2,00,000/-
2.	Donation to friends of tribal society	Promotion and upliftment of Tribal Society	Indore	3,30,000/-	3,30,000/-	3,30,000/-
3.	IMA 29th International Management Conclave	Promotion of education and enhancement of educational skills.	Indore	2,00,000/-	2,00,000/-	2,00,000/-
4.	Antar Bharti Biradri	Promotion of women empowerment and rural development	Indore	5,000/-	5,000/-	5,000/-
5.	Shivganga Samagra Gramvikas Parishad	Promotion youth empowerment and skill development	Indore	6,00,000/-	6,00,000/-	6,00,000/-
6.	BVM foundation	Promotion of women empowerment	Indore	38,000/-	38,000/-	38,000/-
	Total			13,73,000/-	13,73,000/-	13,73,000/-

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company endeavoured to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the amount on CSR activities in accordance with the statutory requirements.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

Date: 29/06/2020

Place: Indore

Shiv Singh Mehta

Chairperson - CSR Committee & Chairman & Managing Director
(DIN: 00023523)

ANNEXURE - C

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2020.

- Ratio of remuneration of each Director and KMPs to the median remuneration of the employees of the Company for the financial year 2019-20.

S. No	Name	Designation	Remuneration for the year 2019-20 (₹ In lakhs)	Remuneration for the year 2018-19 (₹ In lakhs)	Increase In Remuneration (₹ In lakhs)	Percentage of Increase In Remuneration	Ratio Between Director's Remuneration and Median Employee Remuneration
1.	Mr. Shiv Singh Mehta	Chairman & Managing Director	66.00	58.52	7.48	12.78	35.01
2.	Mrs. Purnima Mehta	Whole Time Director	111.12	36.03	23.1	64.11	58.89
3.	Mr. Saurabh Singh Mehta	Director	-	-	-	-	-
4.	Mr. Rakesh Kalra	Independent Director	-	-	-	-	-
5.	CA Manoj Fadnis	Independent Director	-	-	-	-	-
6.	Mr. Chandrasekharan Bhaskar	Independent Director	-	-	-	-	-
7.	Mr. Kamal Kanodia	Chief Financial Officer	30.65	15.03	15.62	-	16.26
8.	Ms. Preeti Sharma	Company Secretary (upto 04.11.2019)	1.02	0.38	0.64	-	0.54
9.	Ms. Apeksha Baisakhiya	Company Secretary (w.e.f 26.02.2020)	0.42	-	-	-	0.22

- The percentage increase in the median remuneration of employee(s) in the financial year 2019-20: 6%
- The number of permanent employees on the role of the Company as on 31st March, 2020: 530
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The increase in remuneration is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance. There were no exceptional circumstances for the increase in managerial remuneration in comparison to remuneration of other employees.
- Affirmation that the remuneration is as per the Remuneration Policy of the Company:
The Company affirms that remuneration is as per the remuneration policy of the Company
- Details of employees who received remuneration in excess of ₹ One crore and Two lakh or more per annum:
 - During the year, none of the employees received remuneration in excess of ₹102.00 Lakh or more per annum or ₹8.50 per month for part of the year. In accordance with the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, therefore there is no information is available to disclose.
 - During the year, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole-time director and none of the employees hold two percent of the equity shares of the Company.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 AND RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. Conservation Of Energy**1) Steps taken or impact on conservation of energy:**

1. Replacement of Cooling towers (Induced Type) to Mist Type in RPVC. It will not need any power to run by itself. Also cooling will be more effective. Also planned for HDPE.
2. Installed additional energy efficient Chiller in HDPE and also planned for RPVC in order to meet the enhanced cooling need and thus reducing power cost. Better cooling of water will allow to improve performance of extruders in terms of output by 10-12% and thus reducing manufacturing cost.
3. Induction heaters under installation in RPVC and ordered for HDPE in order to reduce running as well as initial heating power requirement in extruders. These are in addition to earlier installation in phase.
4. Planned to replace existing motors and pumps with energy efficient pumps and motors.
5. Planned to install energy efficient compressors to reduce power cost.
6. Barrel vacuum pumps are planned for RPVC to replace existing water based system. This system will not only be power efficient, but it will eliminate water contamination in the tank due to vacuum barrel and thus reduce breakdown of extruders as well as rejection.

2) Steps taken by the company for utilizing alternate sources of energy:

1. In discussion with open access power provider to make it 3 times of existing. Also reduce the rate of power supply.
2. Also planned to install captive solar panels on roof top through opex model.

3. Installation of transparent roof sheets to reduce use of conventional energy.

3) Capital investment on energy conservation equipment:

Approx. ₹5 crores

B. Technology Absorption**1) Efforts made towards technology absorption:**

1. Material transfer technology has been planned to improve further for the existing manual mixer and transfer of material to extruders. In current year it is planned to automate all RPVC products to run on Auto Mixers.
2. New upgraded auto mixer being planned to support the increased capacity. Last year 1 new high capacity extruder added to produce 26 MT/day. This is the largest capacity acquired so far, reducing manpower requirement and with higher range of sizes which can be produced.
3. Barrel vacuum has been planned with upgraded technology to eliminate contamination completely.
4. Lifters and conveyors upgraded along with socketing machines capability to prepare socket with exact length and thereby lifting and transferring to the shifting trolleys directly. System has been made more robust and accurate to reduce breakdown and rejection.
5. All big coils in HDPE has been planned to upgrade for automatic opening of arms for easy changeovers and reduce damages.
6. HDPE Extruders and Plant upgraded in terms of water cooling system, water filtration, sizer finishing etc to produce MDPE (Gas pipelines) on multiple lines to enhance capacity for gas pipeline production and thus building flexibility.

C. Foreign Exchange Earning & Outgo

(₹ In Lakhs)

Sr. No.	Particulars	earned/spent in FY 2019-20.	earned/spent in FY 2018-19
1.	Foreign Exchange earned in terms of Actual Inflows	-	-
2.	Foreign Exchange spent in terms of Actual Outflows	4389.98	9138.93

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE

- 1.1 Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

2. POLICY OBJECTIVES

- 2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

- 3.1 This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

4. DEFINITIONS

- 4.1 "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".
- 4.2 "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- 4.3 "Board" means the Board of Directors of the Company.
- 4.4 "Company" means the Kriti Industries (India) Limited, and all its offices.

- 4.5 "Code" means Code of Conduct for Directors and Senior Management Executives adopted by Kriti Industries (India) Limited

- 4.6 "Employee" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).

- 4.7 "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- 4.8 "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

- 4.9 "Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

- 4.10 "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

- 6.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their

name/address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

6.3 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.

6.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

6.5 All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance and Ethics Officer is as under:-

Name and Address – Vigilance and Ethics Officer,
Kriti Industries (India) Limited.
Chetak Chambers 4th Floor, 14 RNT Marg, Indore - 452001
Email- whistleblower@kritiindia.com

6.6 Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman, CEO and the Chairman of the Audit Committee are as under:

Name and Address of Chairman – Shri Manoj Fadnis
Chairman Audit Committee- Kriti Industries (India) Limited
15 HIG Vijay Nagar, AB Road, Indore – 452010

6.7 On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer / Chairman of the Audit Committee for processing the complaint
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/ other action(s).

6.8 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

7. INVESTIGATION

7.1 All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

7.2 The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

7.3 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

7.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

7.5 Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/ or the Whistle Blower.

7.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

7.7 Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

7.8 Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

7.9 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

8. DECISION AND REPORTING

8.1 If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

- 8.2 The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3 In case the Subject is related to the Vigilance and Ethics Officer of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.4 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5 A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- 9. SECRECY / CONFIDENTIALITY**
- 9.1 The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
- 9.1.1 Maintain confidentiality of all matters under this Policy
- 9.1.2 Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- 9.1.3 Not keep the papers unattended anywhere at any time
- 9.1.4 Keep the electronic mails / files under password.
- 10. PROTECTION**
- 10.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 10.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5 Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.
- 11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**
- 11.1 The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.
- 12. COMMUNICATION**
- 12.1 A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.
- 13. RETENTION OF DOCUMENTS**
- 13.1 All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.
- 14. ADMINISTRATION AND REVIEW OF THE POLICY**
- 14.1 The Chief Financial Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Financial Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.
- 15. AMENDMENT**
- 15.1 The Company reserves its right to amend or modify this Policy in whole or in part, at anytime without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

FormNo.MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L25206MP1990PLC005732
ii)	Registration Date	12th March, 1990
iii)	Name of the Company	Kriti Industries (India) Limited
iv)	Category/Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Mehta Chambers, 34-Siyaganj, Indore-452007, Tel. No. 0731-2719126 E mail id: cs1@kritiindia.com Website: www.kritiindia.com
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent if any	Ankit Consultancy Pvt. Ltd , Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452010 Tel. No. 0731-4281333, 4065797/99 E mail id: ankit4321@yahoo.com, info@ankitonline.com

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:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of other plastics products n.e.c.	22209	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sakam Trading Pvt. Ltd.	U65993MP1986PTC003517	Holding	52.10	2(46)
2	Kriti Auto & Engineering Plastics Pvt. Ltd.	U25206MP2007PTC019323	Subsidiary	100.00	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity):

1. Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individual / HUF	2304847	-	2304847	4.65	2363347	-	2363347	4.76	0.11
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	30332466	-	30332466	61.15	30437514	-	30437514	61.36	0.21
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	32637313	-	32637313	65.80	32800861	-	32800861	66.13	0.33
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	32637313	-	32637313	65.80	32800861	-	32800861	66.13	0.33
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1681	-	1681	0	1681	-	1681	0	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1681	-	1681	0	1681	-	1681	0	0
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	914774	4800	919574	1.85	838111	4800	842911	1.70	-0.15
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	6714097	1521680	8235777	16.60	6662843	1311280	7974123	16.08	-0.52
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	6377369	-	6377369	12.86	6371369	-	6371369	12.84	-0.02
c) Others (NRI & OCB)	530984	-	530984	1.07	559055	-	559055	1.13	0.06
d) Clearing Member	8408	-	8408	0.02	24867	-	24867	0.05	0.03
e) IEPF, MCA	892414	-	892414	1.80	1028653	-	1028653	2.07	0.27
Sub-total (B)(2):-	15438046	1526480	16964526	34.20	15484898	1316080	16800978	33.87	-0.33
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15439727	1526480	16966207	34.20	15486579	1316080	16802659	33.87	-0.33
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	48077040	1526480	49603520	100.00	48287440	1316080	49603520	100.00	

2. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in shareholding 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	-	25843673	52.10	-	-
2	Chetak Builders Pvt. Ltd.	4488793	9.05	-	4593841	9.26	-	0.21
3	Mr. Shiv Singh Mehta	2028799	4.09	-	2067299	4.17	-	0.08
4	Mrs. Purnima Mehta	125609	0.25	-	145609	0.29	-	0.04
5	Mrs. Raj Kumari Kothari	83280	0.17	-	83280	0.17	-	-
6	Mrs. Devki Mehta Hirawat	36736	0.07	-	36736	0.07	-	-
7	Mr. Saurabh Singh Mehta	30423	0.06	-	30423	0.06	-	-
	Total	32637313	65.80	-	32800861	66.13	-	0.33

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

Particular	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shiv Singh Mehta				
At the beginning of the year	2028799	4.09	-	-
Date wise details of increase/ decrease in Promoters Shareholding during the year				
At the end of the year	-	-	2067299	4.17
Purnima Mehta				
At the beginning of the year	125609	0.25	-	-
Date wise details of increase/ decrease in Promoters Shareholding				
At the end of the year	-	-	145609	0.29
Raj Kumari Kothari				
At the beginning of the year	83280	0.17	-	-
Date wise details of increase/ decrease in Promoters Shareholding	-	-	-	-
At the end of the year	-	-	83280	0.17
Devki Mehta				
At the beginning of the year	36736	0.07	-	-

Particular	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Date wise details of increase/ decrease in Promoters Shareholding	-	-	-	-
At the end of the year	-	-	36736	0.07
Saurabh Mehta				
At the beginning of the year	30423	0.06	-	-
Date wise details of increase/ decrease in Promoters Shareholding	-	-	-	-
At the end of the year	-	-	30423	0.06
Sakam Trading Private Limited				
At the beginning of the year	25843673	52.10	-	-
Date wise details of increase/ decrease in Promoters Shareholding	-	-	-	-
At the end of the year	-	-	25843673	52.10
Chetak Builders Pvt Ltd				
At the beginning of the year	4488793	9.05	-	-
Date wise details of increase/ decrease in Promoters Shareholding	Date wise change is annexed as "Enclosure-1"			
At the end of the year	-	-	4593841	9.26

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

Sl. No.	Name of Shareholders	Share holding at the beginning of the year (As on 01.04.2019)		Share holding at the end of the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pravin Kumar Kasliwal	1401407	2.83	1399407	2.82
2.	Mr. Bhavesh Shah	1197329	2.41	1197329	2.41
3.	Investor Education and Protection Fund Authority	892414	1.80	1028653	2.07
4.	Chartered Finance and Leasing Limited	747397	1.51	747397	1.51
5.	Mr. Rahul Chandrasingh Mehta	683958	1.38	683958	1.38
6.	Ms. Jyoti Kasliwal	661737	1.33	659737	1.33
7.	Ms. Varsha Bhavesh Shah	445615	0.90	445615	0.90
8.	Ms. Sheetal Rahul Mehta	416000	0.84	416000	0.84
9.	Mr. Sanjay Kothari	400000	0.81	400000	0.81
10.	Ms. Juhi Singhvi	378411	0.76	378411	0.76
	Total	7224268	12.43	7356507	15.43

5. Share holding of Directors and Key Managerial Personnel

Sl. No.	Particular	Shareholding at the beginning of the year (As on 01.04.2019)		Changes during the year			Shareholding at the End of the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	Date	No. of share increased	No. of shares decreased	No. of shares	% of total shares of the company
1.	Mr. Shiv Singh Mehta Chairman & Managing Director	2028799	4.09	11/03/2020	3000	-	2067299	4.17
				12/03/2020	5500			
				13/03/2020	8500			
				16/03/2020	6000			
				18/03/2020	4500			
				19/03/2020	11000			
2.	Mrs. Purnima Mehta Whole-time Director	125609	0.25	11/03/2020	1000	-	145609	0.29
				17/03/2020	3000			
				18/03/2020	16000			
3.	Mr. Saurabh Singh Mehta Director	30423	0.06	-	-	-	30423	0.06
4.	Mr. Rakesh Kalra Independent Director	-	-	-	-	-	-	-
5.	CA Manoj Fadnis Independent Director	-	-	-	-	-	-	-

Sl. No.	Particular	Shareholding at the beginning of the year (As on 01.04.2019)		Changes during the year			Shareholding at the End of the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	Date	No. of share increased	No. of shares decreased	No. of shares	% of total shares of the company
6.	Mr. Chandrasekharan Bhaskar Independent Director	-	-	-	-	-	-	-
7.	Mr. Kamal Kanodia Chief Financial Officer (appointed w.e.f 10th November, 2018)	-	-	-	-	-	-	-
8.	Ms. Preeti Sharma Company Secretary & Compliance Officer (appointed w.e.f. 21st December, 2018)	-	-	-	-	-	-	-
9.	Ms. Apeksha Baisakhiya CS& compliance Officer (appointed w.e.f. 26th February, 2020)	-	-	-	-	-	-	-

V. INDEBTEDNESS:

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
i) Principal Amount	6182.56	1200.00	-	7382.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	13.00	-	13.00
TOTAL (i + ii + iii)	6182.56	1213.00	-	7395.56
Change in Indebtedness during the financial year				
Addition	216.54	-	-	216.54
Reduction	-	(208.00)	-	(208.00)
Net Change	216.54	(208.00)	-	8.54
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	6399.10	1000.00	-	7399.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	5.00	-	5.00
TOTAL (i + ii + iii)	6399.10	1005.00	-	7404.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Shiv Singh Mehta Chairman & Managing Director	Mrs. Purnima Mehta Whole Time Director	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.00	42.00	102.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	6.00	6.00	12.00
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of Profits	-	63.29	63.29
	Total(A)	66.00	111.29	177.29

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Mr. Rakesh Kalra	CA Manoj Fadnis	Mr. Chandrasekharan Bhaskar	
	Fee for attending Board/ Committee meetings	1.04	1.04	1.00	3.08
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total(1)	1.04	1.04	1.00	3.08
2.	Other Non-Executive Directors	Mr. Saurabh Singh Mehta			
	Fee for attending Board/ Committee meetings	1.00	1.00		
	Commission	-	-		
	Others, please specify	-	-		
	Total(2)	1.00	1.00		
	Total(B)=(1+2)		4.08		
	Total Managerial Remuneration(A+B)				130.68
	Overall Ceiling as per the Act	Being 11% of the Net Profits of the Company calculated as per section 198 of the Companies Act, 2013) and for Sitting Fee ₹1.00 Lakh per meeting of the Board Audit Committee Meetings.			

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WT

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Kamal Kanodia Chief Financial Officer (w.e.f. 10.11.18)	Ms. Preeti Sharma Company Secretary (upto 04.11.19)	Ms. Apeksha Baisakhiya Company Secretary (w.e.f 26.02.2020)	Total Amount
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.65	1.01	0.42	32.08
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of Profits	-	-	-	-
	- others, specify	-	-	-	-
	Total(A)	30.65	1.01	0.42	32.08

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT					
Penalty	-				
Punishment	-				
Compounding	-				

For and on behalf of the Board of Directors

Shiv Singh Mehta

Chairman & Managing Director

(DIN: 00023523)

Date: 29th June, 2020

Place: Indore

Enclosure-1

Date-wise change in shareholding of Chetak Builders Pvt Ltd

Purchased on	Op. Balance of shares	% of holding	No. of Shares purchased	% of shares acquired.	Shares after acquisition	Cumulative % of Holding
Shareholding as on 31.03.19	4,488,793	9.05%		0.00%	4,488,793	9.05%
02/04/2019	4,488,793	9.05%	1000	0.00%	4,489,793	9.05%
03/04/2019	4,489,793	9.05%	2000	0.00%	4,491,793	9.06%
23/05/2019	4,491,793	9.06%	2000	0.00%	4,493,793	9.06%
24/05/2019	4,493,793	9.06%	2000	0.00%	4,495,793	9.06%
27/05/2019	4,495,793	9.06%	1000	0.00%	4,496,793	9.07%
28/05/2019	4,496,793	9.07%	157	0.00%	4,496,950	9.07%
29/05/2019	4,496,950	9.07%	4	0.00%	4,496,954	9.07%
30/05/2019	4,496,954	9.07%	700	0.00%	4,497,654	9.07%
31/05/2019	4,497,654	9.07%	2000	0.00%	4,499,654	9.07%
03/06/2019	4,499,654	9.07%	5100	0.01%	4,504,754	9.08%
04/06/2019	4,504,754	9.08%	2000	0.00%	4,506,754	9.09%
06/06/2019	4,506,754	9.09%	7775	0.02%	4,514,529	9.10%
07/06/2019	4,514,529	9.10%	2298	0.00%	4,516,827	9.11%
11/06/2019	4,516,827	9.11%	2000	0.00%	4,518,827	9.11%
12/06/2019	4,518,827	9.11%	200	0.00%	4,519,027	9.11%
13/06/2019	4,519,027	9.11%	1000	0.00%	4,520,027	9.11%
14/06/2019	4,520,027	9.11%	1654	0.00%	4,521,681	9.12%
17/06/2019	4,521,681	9.12%	2047	0.00%	4,523,728	9.12%
18/06/2019	4,523,728	9.12%	100	0.00%	4,523,828	9.12%
19/06/2019	4,523,828	9.12%	3000	0.01%	4,526,828	9.13%
20/06/2019	4,526,828	9.13%	1000	0.00%	4,527,828	9.13%
24/06/2019	4,527,828	9.13%	568	0.00%	4,528,396	9.13%
25/06/2019	4,528,396	9.13%	2100	0.00%	4,530,496	9.13%
27/08/2019	4,530,496	9.13%	30	0.00%	4,530,526	9.13%
28/08/2019	4,530,526	9.13%	1000	0.00%	4,531,526	9.14%
30/08/2019	4,531,526	9.14%	1150	0.00%	4,532,676	9.14%
03/09/2019	4,532,676	9.14%	90	0.00%	4,532,766	9.14%
05/09/2019	4,532,766	9.14%	637	0.00%	4,533,403	9.14%
06/09/2019	4,533,403	9.14%	3995	0.01%	4,537,398	9.15%
16/09/2019	4,537,398	9.15%	1000	0.00%	4,538,398	9.15%
18/09/2019	4,538,398	9.15%	1000	0.00%	4,539,398	9.15%
19/09/2019	4,539,398	9.15%	4009	0.01%	4,543,407	9.16%
20/09/2019	4,543,407	9.16%	2000	0.00%	4,545,407	9.16%
23/09/2019	4,545,407	9.16%	2800	0.01%	4,548,207	9.17%
25/09/2019	4,548,207	9.17%	600	0.00%	4,548,807	9.17%
26/09/2019	4,548,807	9.17%	2000	0.00%	4,550,807	9.17%
06/11/2019	4,550,807	9.17%	2421	0.00%	4,553,228	9.18%
07/11/2019	4,553,228	9.18%	2000	0.00%	4,555,228	9.18%
08/11/2019	4,555,228	9.18%	346	0.00%	4,555,574	9.18%
14/11/2019	4,555,574	9.18%	248	0.00%	4,555,822	9.18%
22/11/2019	4,555,822	9.18%	1000	0.00%	4,556,822	9.19%
02/12/2019	4,556,822	9.19%	1000	0.00%	4,557,822	9.19%
03/12/2019	4,557,822	9.19%	1000	0.00%	4,558,822	9.19%
06/12/2019	4,558,822	9.19%	2000	0.00%	4,560,822	9.19%
09/12/2019	4,560,822	9.19%	2050	0.00%	4,562,872	9.20%
10/12/2019	4,562,872	9.20%	3000	0.01%	4,565,872	9.20%
13/12/2019	4,565,872	9.20%	1000	0.00%	4,566,872	9.21%
16/12/2019	4,566,872	9.21%	2148	0.00%	4,569,020	9.21%
17/12/2019	4,569,020	9.21%	1000	0.00%	4,570,020	9.21%
18/12/2019	4,570,020	9.21%	650	0.00%	4,570,670	9.21%
20/12/2019	4,570,670	9.21%	1000	0.00%	4,571,670	9.22%
23/12/2019	4,571,670	9.22%	733	0.00%	4,572,403	9.22%
27/12/2019	4,572,403	9.22%	3088	0.01%	4,575,491	9.22%
30/12/2019	4,575,491	9.22%	1000	0.00%	4,576,491	9.23%
18-Feb-20	4,576,491	9.22%	1000	0.00%	4,577,491	9.23%
19-Feb-20	4,577,491	9.23%	2000	0.00%	4,579,491	9.23%
4-Mar-20	4,579,491	9.23%	2000	0.00%	4,581,491	9.23%
6-Mar-20	4,581,491	9.23%	2000	0.00%	4,583,491	9.23%
9-Mar-20	4,583,491	9.23%	4000	0.00%	4,587,491	9.24%
18-Mar-20	4,587,491	9.24%	2350	0.00%	4,589,841	9.25%

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

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

To
The Members
KRITI INDUSTRIES (INDIA) LIMITED
CIN: L25206MP1990PLC005732
Registered Office: Mehta Chambers,
34-Siyagunj,
Indore (M.P.) – 452007

Corporate Office.: 8th floor, Plot no.10, PSP,
IDA Scheme no. 78-II, Vijay Nagar
Indore (M.P.) 452010

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **KRITI INDUSTRIES (INDIA) LIMITED** (hereinafter called the Company) having **CIN-L25206MP1990PLC005732** **subject to noted limitation of physical interaction and verification of records caused due to COVID-19 Pandemic lock down. While taking review after completion of financial year** 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 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, KMPs, Directors 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 March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company generally has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to 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 March 31, 2020, according to the provisions of:

- | | |
|--|--|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 (the Act) and the rules made there under; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):- | <ul style="list-style-type: none"> 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; d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the audit period) e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period) f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period) h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period) |
| <ul style="list-style-type: none"> (vi) other laws are applicable specifically to the Company are as under: | <ul style="list-style-type: none"> (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 Dispute Act, 1947; (g) The Payment of Wages Act, 1936; (h) The Minimum Wages Act, 1948; |

- (i) The Employee 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) The Income Tax Act, 1961;
- (n) Contract Labour (Regulation and Abolition) Act, 1970;
- (o) The Industrial Employment (Standing Orders) Act, 1946;
- (p) The Goods and Service Tax

We have also examined compliance with the applicable clause of the following:

1. Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) and applicable mandatorily.
2. Listing Obligations and Disclosure Requirements Regulations, 2015 as amended from time to time.

During the year under review and subject to limiting condition arises due to COVID-19 Pandemic disclaimer and/ or Note(s) given elsewhere in this report, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, standard etc. mentioned above subject to the following observations:

- (i) Some of the e-Forms /Returns/ information required to file by the company to Registrar /other authorities have filed belatedly, however with requisite amount of "additional fees" (whether applicable).
- (ii) The company has not expended full amount of CSR required under section 135 of the Act and the amount of ₹11.37 Lakhs for the current financial year remains unexpended till 31.03.2020.(Amount required to be Spent during the year ₹25.10 Lakhs and Amount spent during the Year ₹13.73 Lakhs)
- (iii) The company has created a fresh charge having charge ID 100304457 of an amount of ₹42.19 crore in favour of HDFC Bank Limited ("Charge holder") dated 22.11.2019 but the actual amount mentioned in Instrument creating the Charge i.e, Deed of Hypothecation is ₹4.219 crore only, that makes the error in E-form CHG-1 and as per the company it is purely typological error. Again to rectify the "typological error in e- Form CHG1 for charge creation " in a new instrument i.e Rectification Letter dated 05.12.2020 intending to modifying the charge was made by the

charge holder, but in the e-form CHG-1 (modification of charge) filed with ROC the date of charge modification was not same as the date of instrument modifying the charge mentioned in the instrument.

- (iv) Since all the observations, reservations etc. given in the Secretarial Audit Report, 2019, as per the management of the company were self explanatory and do not require for any specific comments from the board hence, the company has not provided any comments/explanation in the Board Report, 2019 with respect to the observations given by the Secretarial Auditors.

Read with 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.

Read with above adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no specific events in pursuance of the above referred laws, rules, regulations, guidelines having major bearing on the company's affairs.

For **Kaushal Agrawal & Co.,**
Practising Company Secretaries

CS Kaushal Kumar Agrawal
M. No. F4985 C.P. No. 3457
Place: Indore Dated: 26.06.2020
UDIN: F004985B000387642

This report is to be read with our letter of even date as 'Annexure 1' forms an integral part of this report.

Note: Due to complete lockdown in the country as notified by the Government of India for prevention of COVID-19 which has resulted in many restrictions including free movement of people, we have not checked Minutes Books, Attendance Registers and other Statutory Registers as it was not possible to personally visit the office. We have relied on the explanation received from the company either telephonically or electronically.

'Annexure -1'

To,
The Members
Kriti Industries (India)Limited
CIN-L25206MP1990PLC005732

Our report of even date is to be read along with this letter (forming part of the report)

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. However in the Covid-19 pandemic era, we express our apparent limitations of physical verification of the maintenance of record and cross verification of evidences. (Disclaimer)
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and whether applicable reliance have been made on the reports, certificates etc given to the company by other professionals, competent to issue those certificates to the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Kaushal Agrawal & Co.,**
Practising Company Secretaries

CS Kaushal Kumar Agrawal
M. No. F4985 C.P. No. 3457
Place: Indore Dated: 26.06.2020
UDIN: F004985B000387642

CORPORATE GOVERNANCE REPORT

I. 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. Your company is compliant with all the provisions of SEBI (LODR) Regulations, 2015.

II. 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 etc. 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.

III. BOARD OF DIRECTORS

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, 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 2019-20, the total Board consists of Six (6) directors, out of which Four (4) are Non-Executive Directors and out of those four (4) Non-Executive Directors three (3) are Independent Director.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other companies are given below:

Sr. No.	Name of Directors	Category	Total number Board Meeting eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 14.08.2019	No. of Directorship in other public Companies As on 31.03.2020	No. of Memberships / Chairmanship in Committee of Directors in all Companies*		No. of shares held in the Company
							Chairman	Member	
1.	Mr. Shiv Singh Mehta Chairman & Managing Director (DIN: 00023523)	Promoter Executive	5	5	Yes	3	0	3	20,67,299
2.	Mrs. Purnima Mehta Whole Time Director (DIN: 00023632)	Promoter Executive	5	5	Yes	1	1	4	1,45,609
3.	Mr. Saurabh Singh Mehta Director (DIN: 00023591)	Promoter Non-Executive	5	5	Yes	1	1	1	30,423
4.	Mr. Rakesh Kalra Director (DIN: 00780354)	Independent Non-Executive	5	4	No	4	0	4	Nil
5.	CA Manoj Fadnis Director (DIN: 01087055)	Independent Non-Executive	5	5	Yes	4	3	4	Nil
6.	Mr. Chandrasekharan Bhaskar Director (DIN: 00003343)	Independent Non-Executive	5	5	Yes	4	1	2	Nil

* Includes only Audit Committee and Stakeholders' Relationship Committee.

S. No.	Name of Director	Name of other Listed entities in which person is Director	Category of Directorship
1.	Mr. Shiv Singh Mehta	Kriti Nutrients Limited	Managing Director, Promoter, Executive
		Rajratan Global Wire Limited	Non-Executive - Independent Director
2.	Mrs. Purnima Mehta	Kriti Nutrients Limited	Non-Executive, Non Independent Director
3.	Mr. Saurabh Singh Mehta	Kriti Nutrients Limited	Whole-time Director, Promoter, Executive
4.	Mr. Rakesh Kalra	Kriti Nutrients Limited	Non-Executive - Independent Director
		Jamna Auto Industries Limited	Non-Executive - Independent Director
		Automotive Axles Limited	Non-Executive - Independent Director
5.	CA Manoj Fadnis	Kriti Nutrients Limited	Non-Executive - Independent Director
		The Federal Bank Ltd	Non-Executive - Independent Director-Shareholder Director
6.	Mr. Chandrasekharan Bhaskar	Kriti Nutrients Limited	Non-Executive - Independent Director
		Xpro India Limited	Managing Director, Executive

None of the Directors of the Company are inter-se related to each other except Mr. Shiv Singh Mehta, Chairman & Managing Director, Mrs. Purnima Mehta, Non Executive Director and Mr. Saurabh Singh Mehta, Whole-time Director, who are wife and son respectively of Mr. Shiv Singh Mehta.

Details about Directors seeking Appointment / Reappointments at the forthcoming Annual General Meeting are given separately along with Notice convening the said Meeting.

Ms. Apeksha Baisakhiya is Company Secretary & Compliance Officer of the Company.

Five (5) meetings of the Board of directors were held during the year ended 31.03.2020. The dates of the meetings were decided in advance and the key information was placed before the Board. The Board Meetings were held on i) 16th May, 2019, ii) 14th August, 2019, iii) 2nd November, 2019 iv) 27th January, 2020 and v) 26th February, 2020 respectively.

Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses (Fluid Couplings), policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
4. Financial and Management skills,
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

DIRECTORS HAVING SUCH SKILL AND COMPETENCIES

Skills to be possessed by Directors	Mr. Shiv Singh Mehta	Mrs. Purnima Mehta	Mr. Saurabh Singh Mehta	Mr. Rakesh Kalra	Mr. Manoj Fadnis	Mr. Chandrasekharan Bhaskar
Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	Yes	Yes	Yes	Yes	Yes	Yes
Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,	Yes	Yes	Yes	Yes	Yes	Yes
Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,	Yes	Yes	Yes	Yes	Yes	Yes
Financial and Management skills,	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills and specialized knowledge in relation to Company's business	Yes	Yes	Yes	Yes	Yes	Yes

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has adopted a policy on familiarization program for Independent Directors to provide them with an opportunity to familiarize themselves with the Company, its Management, its operations and the industry in which the Company operates. On his appointment, an Independent Director, receives a formal letter of appointment, setting out in detail the role, functions, duties and responsibilities expected of him as an Independent Director of the Company. Further the Directors of the Company are updated on changes/ developments in domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations and economic environment and on matters related to the Company covering its plants, products, marketing, competitors and other functions. The policy can be accessed at the link: <http://kritiindustries.com/policy/>

CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTOR FULFILL THE CONDITION SPECIFIED IN THIS REGULATION AND ARE INDEPENDENT OF THE MANAGEMENT:

All Independent Directors has given disclosure as required under the Companies Act, 2013 and Listing Regulations

that they are independent of the management and the Management do hereby confirm there independency

DETAILED REASON FOR RESIGNATION OF INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF HIS TENURE ALONG WITH THE CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASON OTHER THAN THOSE PROVIDED:

There is no resignation of any independent Director during the Financial Year.

IV. AUDIT COMMITTEE

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

The Audit Committee of the Board of Directors is in compliance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 is in place.

The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Name of the Members	Designation in the Company	Position in the Committee	No. of Meetings Attended
1.	CA Manoj Fadnis	Independent Director	Chairman	4
2.	Mr. Rakesh Kalra	Independent Director	Member	4
3.	Mrs. Purnima Mehta	Whole-time Director	Member	4

During the year under review, the Committee met on i) 16th May, 2019, ii) 14th August, 2019, iii) 2nd November, 2019 and iv) 27th January, 2020.

Company Secretary, acts as Secretary to the Committee

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

The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Valuation of assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. To review the functioning of the Whistle Blower mechanism;
16. Approval of appointment of CFO.
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
7. Utilization of loan and advances, if any.

The Audit Committee reviewed the reports of the internal auditors, the reports of the statutory auditors arising out of the quarterly, half-yearly, and annual audit of the accounts; considered significant financial issues affecting the Company and held discussions with the internal and statutory auditors and the Company Management during the year.

V. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors in compliance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 is in place.

The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Name of the Members	Designation in the Company	Position in the Committee	No. of Meetings Attended
1.	Mr. Rakesh Kalra	Independent Director	Chairman	3
2.	CA Manoj Fadnis	Independent Director	Member	3
3.	Mr. Chandrasekharan Bhaskar	Independent Director	Member	3

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

During the year under review, the Committee met on i) 16th May, 2019; ii) 27th January, 2020, ii) 26th February, 2020.

At the meeting held on 16th May, 2019, the Committee reviewed and recommended the following:

- i) Revision in the remuneration of Shri Shiv Singh Mehta, the Chairman and Managing director of the Company.
- ii) Re-appointment of Mrs. Purnima Mehta (DIN: 00023632) as Whole Time Director.
- iii) Re-appointment of Mr. Rakesh Kalra (DIN: 00780354) as an Independent Director.
- iv) Re-appointment of Mr. Manoj Fadnis (DIN: 01087055) as the Independent Director.

At the meeting held on 27th January, 2020, the Committee reviewed and recommended the following:

- i) Appointment of Mrs. Nidhi Mehta as Assistant General Manager (Brand) w.e.f. 1st April, 2019.

At the meeting held on 26th February, 2020, the Committee reviewed and recommended the following:

- i) Appointment of Ms. Apeksha Baisakhiya as Company Secretary & Compliance Officer of the Company w.e.f. 26th February, 2020.

Performance Evaluation Criteria for Directors including Independent Directors

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors including Independent Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be based on the outcome of evaluation process.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee has adopted a policy which, inter-alia, deals with the manner of selection of members of the Board including Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The said policy is available on the Company's Website at <http://kritiindustries.com/policy/>. The details of the policy are as follows:

1. APPOINTMENT CRITERIA AND QUALIFICATION:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to appointment and remuneration for Directors, Key Managerial Personnel and other senior employees;
2. To formulate criteria for evaluation of the members of the Board of Directors including Independent Directors, the Board of Directors and the Committees thereof;
3. To devise policy on Board Diversity;
4. To identify persons, qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and where necessary, their removal;
5. To formulate policy ensuring the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - d. Recommendation to the board, all remuneration, in whatever form, payable to senior management.
6. To design Company's policy on specific remuneration packages for Executive/ Whole Time Directors and Key Managerial Personnel including pension rights and any other compensation payment;
7. To determine, peruse and finalize terms and conditions including remuneration payable to Executive/ Whole-Time Directors and Key Managerial Personnel of the Company from time to time;

8. To review, amend or ratify the existing terms and conditions including remuneration payable to Executive/Whole Time Directors, Senior Management Personnel and Key Managerial Personnel of the Company;
9. Any other matter as may be assigned by the Board of Directors.

2. REMUNERATION:

a. Remuneration to Managing/ Whole-Time / Executive/Managing Director:

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

b. Remuneration to Non-Executive/Independent Director:

The Non-Executive/Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

c. Remuneration to KMP (except MD/WTM) and Senior Management Personnel:

- i) The remuneration for KMP (except WTD/MD) and Senior Management Personnel is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.
- ii) The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
- iii) The annual increments to the remuneration paid to KMP (except MD/WTM) and Senior Management Personnel shall be determined based on their performance as reviewed by the committee.

3. TERM:

a. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time subject to the approval by way of ordinary/ special resolution if any as may be required. No reappointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period

of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly

4. REMOVAL:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

The details of Remuneration to Directors during the financial year 2019-20 are as follows:

Sr. No.	Name of the Directors	Designation	Service Contract	Remuneration drawn Amount (₹ in lacs) Stock option Details		Stock Options Granted
				Salary, Allowances, Perquisites & Commission	Sitting Fees	
1.	Mr. Shiv Singh Mehta	Chairman & Managing Director	01.10.2016 to 30.09.2021	66.00	-	-
2.	Mrs. Purnima Mehta	Whole Time Director	01.07.2019 to 30.06.2022	111.28	-	-
3.	Mr. Saurabh Singh Mehta	Non Executive Director	-	-	1.00	-
4.	Mr. Rakesh Kalra	Independent Director	01.04.2019 to 31.03.2024	-	1.04	-
5.	CA Manoj Fadnis	Independent Director	01.04.2019 to 31.03.2024	-	1.04	-
6.	Mr. Chandrasekharan Bhaskar	Independent Director	12.05.2016 to 11.05.2021*	-	1.00	-

Mr. Chandrasekharan Bhaskar is proposed to be re-appointed in the ensuing AGM for the period beginning from 12.05.2021 to 12.05.2026.

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee. The terms of reference of the Committee are to consider and approve the transfer of shares, consolidation / split of share certificates, issue of duplicate share certificates and other allied matters. The said Committee is also empowered to look into and address Shareholders, Security holders and Investors Grievances in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year ended 31st March, 2020, Thirty One (31) Complaints were received from shareholders and the same were redressed to the satisfaction of the shareholders and no such complaint was pending as on 31st March, 2020.

Presently, Mr. Chandrasekharan Bhaskar, Non-Executive-Independent Director, is the Chairman of the Committee. While Mr. Shiv Singh Mehta, Chairman & Managing Director, Mrs. Purnima Mehta, Whole Time Director and Mr. Saurabh Singh Mehta, Non-Executive Director are the Members. Ms. Apeksha Baisakhiya Company Secretary of the Company shall act as Compliance Officer of the Committee.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31st March, 2020 the Committee met Five times on i) 30th April, 2019; ii) 31st May, 2019, iii) 15th June, 2019, iv) 31st July, 2019; and v) 31st August, 2019 respectively.

VII. CORPORATE SOCIAL RESPONSIBILITY

The role of CSR Committee of the Board is to review, monitor and provide strategic direction to the Company's CSR practices. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies. The Committee has formulated and monitors the CSR policy and recommends to the Board the annual CSR plan comprising the CSR Budget and CSR activities of the Company in terms of Companies Act, 2013.

The composition of the Corporate Social Responsibility Committee and the attendance of Members at the Corporate Social Responsibility Committee meetings is as below:

Sr. No.	Name of the Members	Designation in the Company	Position in the company	No. of Meetings Attended
1.	Mr. Shiv Singh Mehta	Chairman and Managing Director	Chairman	2
2.	Mrs. Purnima Mehta	Whole-time Director	Member	2
3.	Mr. Rakesh Kalra	Independent Director	Member	2

During the year under review, Corporate Social Responsibility Committee met two times i.e on 16th May, 2019 and 27th January, 2020.

The terms of reference of Corporate Social Responsibility Committee are as under:

1. To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities that the Company shall pursue within the framework of activities mentioned in Schedule VII of the Companies Act, 2013 as amended from time to time.
2. To recommend the amount of expenditure to be incurred by the Company on the activities proposed to be carried out under the head CSR during the relevant financial year.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

4. To comply with the directions of the Board as may be given from time to time in connection with pursuing CSR activities, expenditure thereon and such other matters related thereto.

VIII. INDEPENDENT DIRECTORS' MEETING

The Statutory role of Independent Directors Meeting is to review the performance of Non-Independent Directors, the Board and the Chairman of the Company and also to assess quality, content and timeliness of the flow of information between the Company Management and the Board and its Committees. Meeting of the Independent Directors was held on 27th January, 2020 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole and was attended by all the Independent Directors of the Company.

IX. GENERAL MEETINGS

The location, date and time of the last General Meetings held during the last three financial years are as under:

Year	Location	Date	Type of General Meeting	Time	Special Resolutions	Special resolution through postal Ballot
2018-19	8th Floor,, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore -452010 (MP)	14th August, 2019	AGM	04:00 P.M.	Yes (4)	-
2017-18	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	31st July, 2018	AGM	03:00 P.M.	-	-
2016-17	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	12th September, 2017	AGM	03:00 P.M.	-	-

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

X. MEANS OF COMMUNICATION

Effective communication of consistent, comparable, relevant and reliable information is an effective component of Corporate Governance. It is a process of sharing information, thoughts, opinion, and plans to all stakeholders which promote management-shareholder relations.

Quarterly Results: The Company's quarterly results are published in 'Business Standard and Nai Duniya Newspapers and are displayed on its website (www.kritiindia.com).

Website: The Company's website (www.kritiindia.com) contains a separate dedicated section 'Investor Desk' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Annual Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members

and others entitled thereto. The Management's Discussions and Analysis Report forms part of the Annual Report and is displayed on the Company's website (www.kritiindia.com).

BSE Corporate Compliance and Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, etc. are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized data base of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

XI. OTHER DISCLOSURES

1. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of

business and on an arm's length pricing basis. As a matter of abundant precaution the transactions between the Company There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the IND-AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Weblink – <http://kritiindustries.com/policy/>

During the last three years, no non-compliance has been noticed and no penalties, strictures were imposed by stock exchange, SEBI or any statutory authority on the Company or its promoters and directors in respect of any matter related to capital market.

2. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to give their views on the accounting policies and practices of the Company, report unethical or undesirable behavior or practices, actual and suspected fraud taking place in the Company, violations of Company's Code of Conduct or ethics policy. The reportable matters may be disclosed to the Audit Committee through Company Secretary. In exceptional cases, employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
3. Your Board affirms that, there is no such instances where the Board has not accepted any recommendation of any committee of the Board during the financial year.
4. The Company has not raised money through an issue (public issues, rights issues, preferential issues etc.) during the year under review.
5. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:
 - a. Number of complaints filed during the financial year: NIL
 - b. Number of complaints disposed of during the financial year: NIL
 - c. Number of complaints pending as on end of the financial year: NIL
6. The Company complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:

A. The Board:

The Company does not have Non-Executive Chairman.

B. Shareholder's Rights:

The quarterly and half yearly results are published in the newspaper, displayed on the website of the Company and are sent to the Stock Exchanges where the shares of the Company are listed. The half-yearly results are not separately circulated to the shareholders.

C. Audit Qualification:

The auditors have not qualified the financial statement of the Company. The Company continues to adopt best practices in order to ensure unqualified financial statements.

D. Reporting of Internal Auditor:

The Internal Auditors of the Company report to the Audit Committee

XII. CONFIRMATION OF COMPLIANCE

1. The Company has complied with the requirements specified in Regulations 17 to 20, 22 to 27 of the Listing Regulations.
2. The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company and they have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31st March, 2020 and the declaration to that effect from Chairman & Managing Director is annexed to this report.
3. The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

XIII. GENERAL SHAREHOLDER INFORMATION

1. The Company is registered in the State of Madhya Pradesh, India with the Registrar of Companies, Gwalior. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25206MP1990PLC005732.
2. Annual General Meeting : 8th August, 2020 at 3 PM
Date and Time, Venue : 8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78- II, Indore (MP)
3. Book Closure Date : 2nd August, 2020 to 8th August, 2020 (both days inclusive)
4. Dividend Payment Date : 14th August, 2020
5. Financial Year : April 1 to March 31
6. Financial Calendar for the Year ending : 31st March, 2021

Sr. No.	Particulars	Tentative Date
1.	Unaudited Financial Results for the First Quarter ending 30th June, 2020	On or Before 14th August, 2020
2.	Unaudited Financial Results for the Second Quarter ending 30th September, 2020	On or Before 14th November, 2020
3.	Unaudited Financial Results for the Third Quarter ending 31st December, 2020	On or Before 14th February, 2021
4.	Audited Financial Results for the Fourth Quarter ending 31st March, 2021	On or Before 30th May, 2021
5.	Annual General Meeting for the year ending 31st March, 2021	On or before 30th September, 2021

7. Listing on Stock Exchange : BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code – 526423
ISIN - INE479D01038

8. Annual Listing fees for the year 2020-21 have been duly paid to the above Stock Exchange and the trading of the shares being regular during the year under review.

9. Annual Custody / Issuer fee for the year 2020-21 has been paid to NSDL and will be paid to CDSL on receipt of the invoice.

10. Stock Market Data:

a. Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month/Year	BSE Limited		BSE Sensex	
	Price			
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 2019	29.90	23.40	39487.45	38460.25
May 2019	25.00	20.65	40124.96	36956.1
June 2019	22.95	17.05	40312.07	38870.96
July 2019	22.90	17.80	40032.41	37128.26
Aug 2019	23.75	16.40	37807.55	36102.35
Sep 2019	30.00	21.05	39441.12	35987.8
Oct 2019	29.35	24.75	40392.22	37415.83
Nov 2019	30.65	22.60	41163.79	40014.23
Dec 2019	26.70	20.00	41809.96	40135.37
Jan 2020	28.95	21.00	42273.87	40476.55
Feb 2020	27.00	18.00	41709.3	38219.97
Mar 2020	19.50	17.95	39083.17	25638.9

11. Dividend History:

The Dividend declared and paid during the previous five financial years is as under:

Sr. No.	Financial Year	% of Interim Dividend	% of Final Dividend	% of Total Dividend	Dividend Amount in Lakhs
1.	2018-19	-	15	15	74.40
2.	2017-18	-	15	15	74.40
3.	2016-17	-	15	15	74.41
4.	2015-16	18	-	18	89.29
5.	2014-15	-	-	-	-

12. Registrar & Transfer Agent : Ankit Consultancy Pvt. Limited
Plot No. 60, Electronic
Complex, Pardeshipura
Indore- 452 010 (M.P)
SEBI Reg. No. NR000000767
Tel: 0731-4065797/ 0731-
4065799
E-mail: ankit4321@yahoo.com,
info@ankitonline.com,
support@ankitonline.com

13. Share Transfer and Investors Grievances Redressal System Equity Shares:

a. Physical Form

The Company has appointed Ankit Consultancy Pvt. Ltd. as its Registrar and Transfer Agent to look into various issues relating to the investors including share transfers. Share transfers in physical form are registered and returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company gets report of the share transfers, etc. periodically from Registrar and Transfer Agent.

During the year, the Company has received Thirty One (31) investor complaints, regarding non-receipt of exchanged share certificate, Non-receipt of Annual Report, Complaints/Grievances were duly addressed and resolved within 15 days from the date of receipt.

b. Electronic Form

The Company's Equity Shares are admitted into the Depository System of National Securities Depository Limited and Central Depository Services (India) Limited, as an eligible security under the Depositories Act, 1996.

As such, facilities for dematerialization of the Company's Equity Shares is already operational vide ISIN: INE479D01038 at both the Depositories. Investors are required to establish an account with a Depository Participant to hold and trade shares in the dematerialized form. Requests received from Shareholders through their Depository Participants for dematerializing the Equity Shares of the Company are processed by the Registrar within a period of 30 days from the date of receipt of such requests and are approved where requests are complete and in order in all respect.

14. Distribution of Shareholding as on 31st March, 2020:

Shares Holding of Nominal Value of ₹	No. of Shareholders	% of Shareholding
1-1000	4458	71.49
1001-2000	877	14.06
2001-3000	301	4.83
3001-4000	216	3.46
4001-5000	81	1.30
5001-10000	175	2.81
10001-20000	67	1.07
20001-30000	17	0.27
30001-40000	11	0.18
40001-50000	4	0.06
50001-100000	7	0.11
100000 Above	22	0.35
Total	6236	100.00

15. Dematerialization of Shares:

4,82,87,440 Equity Shares i.e. 97.3% of the total Equity Shares have been dematerialized upto 31st March, 2020.

Trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialized form as per the directions issued by the Securities and Exchange Board of India in that behalf.

16. Company has no outstanding GDR's, ADR's, Warrants or any other Convertible Instruments.

17. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure hedged through commodity derivatives. During the year 2019-20, the company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports.

18. The Certificate of Non Disqualification of Directors under Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as "Annexure 2" and forms a part of this Report.

19. Plant Location:

13/1 Tarpura, 75-86, Sector No. 2, Industrial Area, Pithampur, Dist. Dhar (M.P)-454775

20. Address for Investor Correspondence:

Registered Office: Kriti Industries (India) Limited 34, Mehta Chambers, Siyagunj Indore 452007 (M.P.) Tel: 0731-2540963 Email: cs1@kritiindia.com	Corporate Support Centre: Kriti Industries (India) Limited Brilliant Sapphire, 801-804, 8th Floor Plot No. 10, Sch No.78-II, Vijay Nagar Indore – 452010 (M.P.) Tel: 0731-2719100 Email: cs1@kritiindia.com
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REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
KRITI INDUSTRIES (INDIA)LIMITED
CIN L25206MP1990PLC005732

1. We, Kaushal Agrawal & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books, papers, minutes books, forms, returns and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
6. 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.
7. In the opinion and to the best of our information and according to explanation given to us, and the representation made by the director and the management and considering the relaxation granted by the Ministry Of Corporate Affairs and Securities And Exchange Board Of India warranted due to the spread of the COVID-19 pandemic (and resultantly disclaimer given hereunder), we certify that the company has complied with the conditions of corporate governance as stipulated in the SEBI listing regulation for the year ended on March 31, 2020.

Disclaimer:- Due to complete lockdown in the country as notified by the Government of India for prevention of COVID-19 which has resulted in many restrictions including free movement of people, we have not checked Minutes Books, and other relevant records and documents as it was not possible to personally visit the office. Hence, we have relied on the explanations and records made available by the company either telephonically or electronically.

FOR KAUSHAL AGRAWAL & CO.
Practising Company Secretaries

Proprietor
Kaushal Kumar Agrawal
FCS 4985 CP 3457

Date: 29.06.2020
Place: INDORE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members of
Kriti Industries (India) Limited,
CIN: L25206MP1990PLC005732
Mehta-Chamber34, Siya Ganj,
Indore MP-452007.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kriti Industries (India) Limited**, having CIN **L25206MP1990PLC005732** and having registered office at **Mehta-Chamber34, Siya Ganj, Indore MP-452007** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN/PAN	Date of appointment in Company
1.	Shiv Singh Mehta	00023523	01/10/2010
2.	Saurabh Singh Mehta	00023591	07/02/2018
3.	Purnima Mehta	00023632	01/10/1999
4.	Rakesh Kalra	00780354	24/06/2006
5.	Manoj Fadnis	01087055	24/06/2006
6.	Chandrasekharan Bhaskar	00003343	12/05/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For: **D.P. Yadav & Associates**

Date: 29.06.2020
Place: Indore

CS D.P. Yadav
MN. 36395
COP N:13717
UDIN : A036395B000375393

MD/CFO CERTIFICATE

To,
The Board of Directors,
Kriti Industries (India) Limited

Dear Sirs

We Shiv Singh Mehta, Chairman & Managing Director and Kamal Kanodia, Chief Financial Officer of **Kriti Industries (India) Limited** certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended on 31st March, 2020 and to the best of our knowledge and belief :
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on 31st March, 2020 are fraudulent, illegal or violate the Company's code of conduct.
- C. 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.
- D. I. There has not been any significant change in internal control over financial reporting during the year under review;
 - II. There has been not any significant change in accounting policies during the year under review and
 - III. We are not aware of any instance during the year, of any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 29th June, 2020
Place: Indore

Shiv Singh Mehta
Chairman & Managing Director
(DIN: 00023523)

Kamal Kanodia
Chief Financial Officer

A large, solid dark blue square is centered on a white background. Inside this square, the text "STANDALONE FINANCIAL REPORT" is written in white, uppercase, sans-serif font, centered both horizontally and vertically.

STANDALONE
FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Kriti Industries (India) Limited

Report on Audit of the Standalone Financial Statements:

Opinion:

We have audited the accompanying standalone financial statements of KRITI INDUSTRIES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified

under Section 143(10) of the Companies Act, 2013. Our Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on our standalone financial statements.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes not acknowledged as debt. (Note No. 32.3 read with Note No. 2.2.9 and 2.2.11 to the standalone financial statements): The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and the Balance Sheet.	Our audit approach involved :- a) Understanding the current status of the litigations/tax assessments; b) Examining communication received from various Tax Authorities/ Judicial forums and follow up action thereon; c) Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; and d) Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome.

S. No.	Key Audit Matter	Auditor's Response
2.	As at 31 March 2019, the carrying amount of investment in wholly owned subsidiary is ₹777.00 Lacs. Management has considered that the losses suffered by the subsidiary and the prevailing economic conditions due to this pandemic indicates a possible impairment in the carrying value of investment. Accordingly, the management has performed an impairment assessment and has estimated the recoverable amount of its investment in the subsidiary which involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions. As per such assessment done by the management, the carrying value of the investment was impaired by ₹116.55 Lacs in the current year, as disclosed in Note No. 45 to the financial statements.	Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment, our procedures included the following :- a) We obtained an understanding of the methodology applied by management in performing its impairment test for the investment and tested effectiveness of the controls over the process. b) Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, discount rates etc. based on historical results, current developments and future plans of the business estimated by management. c) Assessed cash flow forecasts to ensure consistency with current operations of the Company and performed sensitivity analysis on key assumptions.
	We determined the above areas as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.	

Information Other than the Standalone Financial Statements and Auditor's Report Thereon :

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information ("the Other Information"), but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes

in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes

it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls over financial reporting.
- (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 standalone Ind AS financial statements - Refer Note 32.3 to the standalone Ind AS 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 was no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2020.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants
Firm Reg. No. : 002150C

CA. RAKESH KUMAR GUPTA

Partner
Membership No. : 070906

Place : Indore
Date : 29th June 2020

“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 Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31st March 2020, 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.
- (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, 2020 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	2019-20
Central Sales Tax	High Court of MP	2005-06	7238189
Central Sales Tax	High Court of MP	2006-07	1335795
Entry Tax	High Court of MP	2007-08	1355843
Central Sales Tax	Appellate Board , Bhopal	2008-09	76424
Central Sales Tax	Appellate Board , Bhopal	2009-10	170701
M.P. Commercial Tax	High Court of MP	2009-10	556335
M.P. Commercial Tax	High Court of MP	2009-10	633726
Central Sales Tax	High Court of MP	2010-11	317976
M.P. Commercial Tax	High Court of MP	2010-11	2365751
Central Sales Tax	High Court of MP	2011-12	1190344
M.P. Commercial Tax	High Court of MP	2011-12	3303777
Entry Tax	Appellate Board , Bhopal	2012-13	380439
M.P. Commercial Tax	High Court of MP	2012-13	669246
M.P. Commercial Tax	Appellate Board , Bhopal	2013-14	145746
Central Sales Tax	Deputy Commissioner, Indore	2014-15	269734
M.P. Commercial Tax	Additional Commissioner, Indore	2014-15	49995
Central Sales Tax	Additional Commissioner, Indore	2015-16	846438
M.P. Commercial Tax	Additional Commissioner, Indore	2015-16	170987
Central Sales Tax	Deputy Commissioner, Indore	2016-17	112119

- (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 standalone Ind AS 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

Firm Reg. No. : 002150C

CA. RAKESH KUMAR GUPTA

Partner

Membership No. : 070906

Place : Indore

Date : 29th June 2020

“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 Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31st March 2020.

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, 2020 in conjunction with our audit of the standalone Ind AS 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 standalone Ind AS 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, 2020, 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
Firm Reg. No. : 002150C

CA. RAKESH KUMAR GUPTA

Partner
Membership No. : 070906

Place : Indore
Date : 29th June 2020

Balance Sheet as on 31.03.2020

(₹ in lakhs)

Sr. No.	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	ASSETS			
(1)	Non Current Assets			
	(a) Property, Plant and Equipment	3	10,232.04	9,432.35
	(b) Capital work-in-progress		94.97	67.19
	(c) Other Intangible assets	4	15.52	21.20
	(d) Financial Assets			
	(i) Investments	5	661.60	778.15
	(ii) Loans	6	581.96	397.96
	(iii) Other financial assets	7	–	0.74
	(f) Other non current assets	8	–	40.46
	Total Non Current Assets		11,586.09	10,738.05
(2)	Current assets			
	(a) Inventories	9	13,360.42	11,023.58
	(b) Financial Assets			
	(i) Trade receivables	10	6,802.02	6,200.80
	(ii) Cash and cash equivalents	11	3.89	2.98
	(iii) Bank balances other than (ii) above	12	1,366.45	1,189.74
	(iv) Loans	13	1,953.10	1,488.02
	(c) Other current assets	14	118.98	119.78
	Total Current assets		23,604.86	20,024.90
	Total Assets		35,190.95	30,762.95
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	15	496.04	496.04
	(b) Other Equity	16	9,884.08	8,033.17
	Total Equity		10,380.12	8,529.21
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,532.05	2,194.78
	(b) Deferred tax liabilities (Net)	18	973.38	1,271.56
	(c) Other non-current liabilities	19	1,073.08	1,033.44
	(i) Lease Liability		317.23	–
	Total Non Current Liabilities		3,895.74	4,499.78
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	20	5,115.09	4,415.52
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises		–	–
	(b) Total outstanding dues of creditors other than micro and small enterprises	21	14,458.36	11,989.49
	(iii) Others	22	772.12	801.28
	(b) Other current liabilities	23	456.02	442.20
	(c) Provisions	24	101.15	85.47
	(d) Current tax liabilities (Net)	25	12.35	–
	Total Current Liabilities		20,915.09	17,733.96
	Total Equity and Liabilities		35,190.95	30,762.95

Significant accounting policies & Notes to the accounts 1-48

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta

Partner

M.No. 070906

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Kamal Kanodia

Chief Financial officer

Apeksha Baisakhiya

Company Secretary

Place: Indore

Date: 29th June, 2020

Statement of Profit & Loss for the period ended 31.03.2020

(₹ in lakhs)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
REVENUE			
Revenue From Operations	26	53,421.73	56,901.57
Other Income	27	187.16	212.12
Total Income		53,608.89	57,113.69
EXPENSES			
Cost of materials consumed		40,508.58	47,873.64
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress		692.21	(1,517.83)
Employee benefits expense	28	2,334.25	2,178.18
Finance costs	29	1,725.71	1,477.20
Depreciation and amortization expense	3-4	715.16	596.29
Other expenses	30	5,360.58	5,459.40
Total Expenses		51,336.49	56,066.88
Profit/(loss) before exceptional items and tax		2,272.40	1,046.81
Exceptional Items (Impairment Loss)		116.55	-
Profit/(loss) before tax		2,155.85	1,046.81
Tax expense:			
(1) Current tax		530.11	186.98
(2) Deferred tax		(298.18)	198.33
Total Tax Expenses		231.93	385.31
Net Profit/(Loss) for the period from continuing operations		1,923.92	661.50
Profit/(Loss) for the period from discontinued operations		-	-
Tax expense:			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Net Profit/(Loss) for the period from discontinued operations		-	-
Net Profit/(Loss) for the period.		1,923.92	661.50
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		16.69	0.29
Total Other Comprehensive Income		16.69	0.29
Total Comprehensive Income for the period		1,940.61	661.79
Earnings per equity share			
(1) Basic		3.88	1.33
(2) Diluted		3.88	1.33

Significant accounting policies & Notes to the accounts 1 - 48

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta

Partner

M.No. 070906

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Kamal Kanodia

Chief Financial officer

Apeksha Baisakhiya

Company Secretary

Place: Indore

Date: 29th June, 2020

Cash Flow Statement as on 31.03.2020

(₹ in lakhs)

Particulars	Year ended 31.3.2020		Year ended 31.03.2019	
	Amount	Amount	Amount	Amount
Cash Flow From Operating Activities				
Net Profit before Tax		2,155.85		1,046.81
Adjustments for :				
Depreciation	715.16		596.29	
(Profit)/ Loss on Sale of Fixed Assets	–		–	
Financial Income	(176.76)		(125.59)	
OCI Income	16.69			
Financial Expense	1,725.71	2,280.80	1,477.20	1,947.90
Cash Operating Profit before working capital changes		4,436.66		2,994.71
(Increase) / Decrease in Inventories	(2,336.84)		(1,582.97)	
(Increase) / Decrease in Trade Receivables	(601.22)		(1,842.50)	
(Increase) / Decrease in Deposit given	(465.08)		(361.94)	
(Increase) / Decrease in Other Current Assets	0.80		377.40	
(Increase) / Decrease in Loan Given	(184.00)		(28.24)	
(Increase) / Decrease in other Financial assets	0.74		41.10	
(Increase) / Decrease in Other Non Current Assets	40.46		(24.46)	
Increase / (Decrease) in Trade Payables	2,468.84		2,411.42	
Increase / (Decrease) in Other Financial Liabilities	(29.16)		(97.66)	
Increase / (Decrease) in Other Current Liabilities	13.83		46.27	
Increase / (Decrease) in Provisions	15.67		(178.77)	
Increase / (Decrease) in Other Tax Liabilities	12.35		–	
		(1,063.61)		(1,240.35)
Tax Paid		(530.11)		(225.00)
Net Cash From Operating Activities (A)		2,842.94		1,529.36
Cash Flow From Investing Activities				
Financial Income	176.76		125.59	
Sale Proceed of Fixed Assets (Net)	–		20.61	
Purchase of Fixed Assets	(1,536.94)		(2,173.10)	
Investment in Fixed Deposits against margin money	(176.72)		(221.05)	
(Increase) / Decrease in Non Current Investment	116.55		–	
Net Cash Used In Investing Activities (B)		(1,420.34)		(2,247.94)
Cash Flow From Financing Activities				
Proceeds from Long Term Borrowings	–		1,650.00	
Repayment of Long Term Borrowings	(662.72)		(785.25)	
Net Increase / (Decrease) in Long Term Borrowings	(662.72)		864.75	
Increase / (Decrease) in Other Non Current Liability	356.87		821.91	
Increase / (Decrease) in Short Term Borrowings	699.57		482.01	
Dividend Paid on Equity Shares	(74.41)		(74.41)	
Dividend Distribution Tax Paid	(15.29)		(15.29)	
Financial Expenses	(1,725.71)		(1,477.20)	
Net Cash Used In Financing Activities (C)		(1,421.69)		601.77
Net Decrease In Cash and Cash Equivalents (A + B + C)		0.91		(116.82)
ADD : Cash and cash equivalents - Opening - 1st April		2.98		119.80
Cash and cash equivalents - Closing - 31st March, 2020		3.89		2.98

Cash Flow Statement as on 31.03.2020**Footnote to Cash Flow Statement:****1. Components of Cash and Cash Equivalents are produced as under:**

(₹ in lakhs)

Particulars	Note No.	2019-20	2018-19
Cash & Cash Equivalents			
Balances with Banks			
Current Account		0.48	0.60
FDRs		–	–
Cash on hand		3.41	2.38
Total of Cash & Cash Equivalent		3.89	2.98

Significant accounting policies & Notes to the accounts 1 - 48

As per our Report of even date attached

For **Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta

Partner

M.No. 070906

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Kamal Kanodia

Chief Financial officer

Apeksha Baisakhiya

Company Secretary

Place: Indore

Date: 29th June, 2020

Statement of Change in Equity for the year ended 31st March, 2020

Share capital

(₹ in lakhs)

Equity Share Capital	Balances as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019	Balances as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
Paid up Capital	496.04	0.00	496.04	496.04	0.00	496.04

Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	General Reserve	Share Premium Account	Contingency Reserve	Share Forfeiture Account	Retained Earnings	Total		
Balances as at 1st April 2018	3,375.00	466.14	–	2.73	3,617.20	7,461.06	–	7,461.06
Total Comprehensive Income	–	–	–	–	661.50	661.50	0.29	661.79
Final Dividend paid including corporate dividend tax for FY 2018-19	–	–	–	–	(89.68)	(89.68)	–	(89.68)
Transfer to General Reserve	50.00	–	–	–	(50.00)	–	–	–
Balance as at 31st March, 2019	3,425.00	466.14	–	2.73	4,139.02	8,032.88	0.29	8,033.17
Total Comprehensive Income	–	–	–	–	1,923.93	1,923.93	16.69	1,940.62
Final Dividend paid including corporate dividend tax	–	–	–	–	(89.70)	(89.70)	–	(89.70)
Transfer to General Reserve	100.00	–	–	–	(100.00)	–	–	–
Balance as at 31st March, 2020	3,525.00	466.14	–	2.73	5,873.25	9,867.11	16.98	9,884.09

General Reserve

General Reserve are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

Share Premium Account

Share Premium to be used in future to pay the expenses of issuing equity, such as underwriter fees or for issuing bonus shares to shareholders.

Contingency Reserve

Contingency Reserve is created to meet any known unknown risk which may occur in future.

Share Forfeiture Account

to use Stock purchase plans to inspire employee loyalty.

Notes - 1. Significant accounting policies and notes to the accounts 31.03.2020

1. Corporate Information

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).

2. Significant Accounting Policies- Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value:

- i) Certain financial assets and liabilities (including derivative instruments),
- ii) Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

2.2. Summary of Significant Accounting Policies

2.2.1. Property, Plant and Equipment

- a) Property, Plant and Equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- c) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.
- d) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.
- e) Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- f) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- g) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- h) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

2.2.2. Leases

Ind AS 116 'Leases' has been introduced effective from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Significant accounting policies and notes to the accounts 31.03.2020

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

2.2.3. Intangible assets

- a) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- c) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.2.4. Capital Work in Progress

- a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

2.2.5. Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.2.6. Finance Cost

- a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- c) All other borrowing costs are expensed in the period in which they occur.

Significant accounting policies and notes to the accounts 31.03.2020

2.2.7. Inventories

- a) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads, net of recoverable taxes incurred in bringing them to their respective present location and condition.
- b) Cost of Inventory of raw materials, stores and spares, packing materials, trading and other products are determined using the First-In, First-Out (FIFO) basis on moving average prices.

2.2.8. Impairment of non-financial assets - property, plant and equipment and intangible assets

- a) The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- b) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- c) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.2.9. Provisions, Contingent Liabilities and Contingent Assets and Commitments

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- b) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- c) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
- d) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

2.2.10. Employee Benefits Expense

Short Term Employee Benefits

- a) The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

- b) A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

- c) The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from

Significant accounting policies and notes to the accounts 31.03.2020

actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- d. The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.
- e. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.
- f. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.
- g. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

2.2.11. Tax Expenses

- a. The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.
- **Current tax**
 - b. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.
 - **Deferred tax**
 - c. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
 - d. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.2.12. Foreign currencies transactions and translation

- a. 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 Statement of profit and loss account of the year.
- b. 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 Statement of profit and loss account.
- c. Realized gain or loss on cancellation of forward exchange contract is recognized in the Statement of Profit and Loss for the year.
- d. Gain/ Loss on exchange difference on pending forward exchange contract which are yet to be executed are measured on the basis of difference between spot rate at year end and with forward contract exchange rate (premium adjusted) of respective date through "Designated Cash Flow Hedge Reserve".

2.2.13. Revenue recognition

- a. Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- b. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.
- c. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
- d. Revenue from operations includes sale of goods, services and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

Significant accounting policies and notes to the accounts 31.03.2020

Ind AS 115- Revenue from contracts with customers, mandatory for reporting period beginning on or after 1st April, 2018 replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings as at 1st April, 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company.

Interest income

- e. Interest income from a financial asset is recognised using effective interest rate (EIR) method.

Dividends

- f. Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

2.2.14. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.

2.2.15. Government Grants

Government grants, including non-monetary grants at fair value, are recognised when there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

2.2.16. Financial instruments

I. Financial Assets

a. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent measurement

i. Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c. Investment in subsidiaries, Associates and Joint Ventures

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

d. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

e. Impairment of financial assets

- i. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through Statement of profit and loss (FVTPL).
- ii. Expected credit losses are measured through a loss allowance at an amount equal to:
 - The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
 - Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Significant accounting policies and notes to the accounts 31.03.2020

- iii. For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.
- iv. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

II. Financial liabilities

a. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Hedge Accounting

Hedges that meet the criteria for hedge accounting are accounted for as follows:

(a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

(b) Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

ii. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.2.17. Operating Cycle

- a. The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;

Significant accounting policies and notes to the accounts 31.03.2020

- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

- b. A liability is current when:
 - i. It is expected to be settled in normal operating cycle;
 - ii. It is held primarily for the purpose of trading;
 - iii. It is due to be settled within twelve months after the reporting period, or
 - iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

2.2.18. Earnings Per Share

- a. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.
- b. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.2.19. Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.20. Statement of Cash Flows

- a. Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- b. Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

2.3. Critical accounting Judgment and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.3.1. Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Significant accounting policies and notes to the accounts 31.03.2020

2.3.2. Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counter party, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

2.3.3. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

2.3.4. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

2.3.5. COVID-19 Impact

The impact of COVID-19 has been assessed. Refer Note No. 45.

Note 3-4. Property, Plant and Equipment (2019-20)

(₹ in lakhs)

Note	Particular	Gross Block				DEPRECIATION				Net Block	
		01.04.2019	Addition	Deduction	Total	01.04.2019	For the Year	Written back	Total	31.03.2020	31.03.2019
3	Tangible Assets										
3.1	Land	–	–	–	–	–	–	–	–	–	–
3.1.1	Free hold Land	220.82	4.52	–	225.34	–	–	–	–	225.34	220.82
3.1.2	Lease hold Land *	36.66	–	–	36.66	1.46	0.49	–	1.95	34.71	35.20
3.2	Buildings	2,153.15	224.17	–	2,377.32	178.40	89.22	–	267.62	2,109.70	1,974.74
3.3	Plant & Machinery	8,435.29	937.72	–	9,373.01	1,336.66	557.34	–	1,894.00	7,479.01	7,098.63
3.4	Furniture	52.53	5.75	–	58.28	9.86	5.19	–	15.05	43.23	42.67
3.5	Vehicles	24.35	–	–	24.35	14.00	3.75	–	17.75	6.60	10.35
3.6	Office Equipment	113.02	12.29	5.39	119.92	63.09	29.14	5.39	86.84	33.08	49.93
3.7	Right-of-Use Asset:										
3.7.1	Office Building	–	324.72	–	324.72	–	24.35	–	24.35	300.37	–
	Total (3)	11,035.82	1,509.17	5.39	12,539.60	1,603.47	709.48	5.39	2,307.56	10,232.04	9,432.35
	Previous Year	8,906.12	2,151.26	21.56	11,035.82	1,015.48	588.43	0.44	1,603.47	9,432.35	7,890.64
4	Intangible Assets										
4.1	Computer Software	50.91	–	–	50.91	29.70	5.69	–	35.39	15.52	21.20
	Total (4)	50.91	–	–	50.91	29.70	5.69	–	35.39	15.52	21.20
	Previous Year	46.35	4.56	–	50.91	21.84	7.86	–	29.70	21.20	24.51
	Grand Total (3+4)	11,086.73	1,509.17	5.39	12,590.51	1,633.17	715.17	5.39	2,342.95	10,247.56	9,453.55
	Previous Year	8,952.47	2,155.82	21.56	11,086.73	1,037.32	596.29	0.44	1,633.17	9,453.55	7,915.15

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 5. Investment

(₹ in lakhs)

	31.3.2020	31.03.2019
5.1 Investment in Trust Securities		
5.1.1 National Saving Certificate	0.14	0.14
5.2 Unquoted		
Non Trade Investment in equity instruments		
5.2.1 Sahkari Audhyogik Vasahat Limited		
(1 Share of ₹500/-)	0.01	0.01
5.2.2 The Cosmos Co-operative Bank Ltd.		
(1000 Equity Shares of ₹100/- each)	1.00	1.00
Trade Investment in equity instruments		
5.2.3 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary)	777.00	777.00
(3885000 Shares of ₹10/- each)		
Less:- Provision For Impairment Loss	(116.55)	
	660.45	777.00
Total	661.60	778.15

Note 6. Loans

(₹ in lakhs)

	31.3.2020	31.03.2019
6.1 Security Deposits	228.96	191.96
6.2 Loan to wholly owned subsidiary company	353.00	206.00
Total	581.96	397.96

Note 7. Other Financial Assets

(₹ in lakhs)

	31.3.2020	31.03.2019
7.1 Fixed deposit with banks having maturity more than 12 months	–	0.74
Total	–	0.74

Note 8. Other Non Current Assets

(₹ in lakhs)

	31.3.2020	31.03.2019
8.1 Mat Credit Entitlement	–	40.46
Total	–	40.46

Note 9. Inventories

(₹ in lakhs)

	31.3.2020	31.03.2019
9.1 Raw Material	6,299.16	3,157.14
9.2 Finished Goods	6,743.42	7,435.63
9.3 Stores and Spares & others	317.84	430.81
Total	13,360.42	11,023.58

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 10. Trade Receivables

(₹ in lakhs)

	31.3.2020	31.03.2019
10.1 Trade Receivables		
Unsecured considered good	6,802.02	6,200.80
Total	6,802.02	6,200.80
Trade receivables		
Secured, considered good -	–	–
Unsecured, considered good	6,802.02	6,200.80
Trade Receivables which have significant increase in Credit Risk	–	–
Less: Impairment for trade receivable		
Trade Receivables - credit impaired -		
Current trade receivables	6,802.02	6,200.80
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.		

Note 11. Cash and Cash Equivalents

(₹ in lakhs)

	31.3.2020	31.03.2019
11.1 Balances with Banks	0.48	0.60
11.2 Cash on hand	3.41	2.38
Total	3.89	2.98

Note 12. Other Bank Balances

(₹ in lakhs)

	31.3.2020	31.03.2019
12.1 Unpaid dividend	15.16	16.02
12.2 Fixed deposit with banks against margin money (Maturity less than 12 months)	1,351.29	1,173.72
Total	1,366.45	1,189.74

Note 13. Loans

(₹ in lakhs)

	31.3.2020	31.03.2019
13.1 Unsecured, Considered good	1,953.10	1,488.02
Advances recoverable in cash or kind or for value to be received		
Total	1,953.10	1,488.02

Note 14. Other Current Assets

(₹ in lakhs)

	31.3.2020	31.03.2019
14.1 Sundry Deposits	54.06	26.99
14.2 Advance Tax/ Tax Deducted at source	–	15.87
14.3 CENVAT	11.43	16.74
14.4 Accrued Interest/ Income	53.49	60.18
Total	118.98	119.78

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 15. Share Capital

(₹ in lakhs)

	31.3.2020	31.03.2019
15.1 AUTHORIZED		
15.1.1 80000000 Equity Shares of ₹1/- each	800.00	800.00
15.1.2 16000000 Optional convertible Preference Shares of ₹10/- each	200.00	200.00
15.2 ISSUED, SUBSCRIBED AND PAID UP		
15.2.1 49603520 equity shares of ₹1/- each fully paid up. which are issued as fully paid up Shares on 27.01.2010 on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
15.2.2 Reconciliation of shares		
15.2.2.1 Opening Balance of 49603520 shares of ₹1/- each Total	496.04	496.04
15.2.2.2 Issued during the year	–	–
15.2.2.3 Closing Balance 49603520 shares of ₹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 ₹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.		
	496.04	496.04
15.3 Shareholder holding more than 5% of shares of the company and its percentage		
15.3.1 Sakam Trading Private Limited		
No. of Shares	2,58,43,673	2,58,43,673
% of Shares	52.10%	52.10%
15.3.2 Chetak Builders Private Limited		
No. of Shares	45,93,841	44,88,793
% of Shares	9.26%	9.05%
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.		

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 16. Reserves & Surplus

(₹ in lakhs)

	31.3.2020	31.03.2019
16.1 RESERVES		
16.1.1 General Reserve		
16.1.1 Opening Balance	3,425.00	3,375.00
16.1.2 Add: Transfer from P&L	100.00	50.00
16.1.3 Add: Transfer from Contingency Reserves	-	-
16.1.4 Closing Balance	3,525.00	3,425.00
16.2 SHARE PREMIUM ACCOUNT		
16.2.1 Opening Balance	466.14	466.14
16.2.2 Add: Transfer from P&L	-	-
16.2.3 Closing Balance	466.14	466.14
16.3 SHARE FORFEITURE ACCOUNT		
16.3.1 Opening Balance	2.73	2.73
16.3.2 Add: Transfer from P&L	-	-
16.3.3 Closing Balance	2.73	2.73
16.4 SURPLUS		
16.4.1 Statement of Profit & Loss		
16.4.1 Opening Balance	4,139.01	3,617.20
16.4.2 Add Profit & Loss during the period	1,923.92	661.50
	6,062.93	4,278.70
Less:		
16.4.3 Final Dividend @ Re.0.15 per share	74.41	74.40
16.4.4 Corporate Dividend Tax	15.29	15.29
16.4.5 Transferred to General Reserve	100.00	50.00
Balance in Surplus	5,873.23	4,139.01
16.5 OTHER COMPREHENSIVE INCOME (OCI)		
16.5.1 Opening Balance	0.29	-
16.5.2 Movement in OCI during the year	16.69	0.29
16.5.3 Closing Balance	16.98	0.29
Total	9,884.08	8,033.17

Note 17. Financial Liabilities

(₹ in lakhs)

Particulars	31.3.2020	31.03.2019
17.1 TERM LOAN		
(Installment due within 12 months shown in Current Liabilities)		
17.1.1 SECURED		
17.1.1.1 From Banks		
Term of Repayment of Long Term Borrowings		
Particulars	Total tenure	Rate of Interest
HDFC Bank	24 Quarterly Installment	11.50%
HDFC Bank	06 Quarterly Installment	10.55%
YES Bank	16 Quarterly Installment	9.50%
HDFC Bank	18 Quarterly Installment	10.50%
Total	1,532.05	2,194.77

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

Note 18. Deferred Tax Liability Net

(₹ in lakhs)

	31.3.2020	31.03.2019
18.1 Deferred Tax Liability (Net)	973.38	1,271.56
On account of tax effects on timing difference arising due to difference in Depreciation		
Total	973.38	1,271.56

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 19. Other Non Current Liabilities

(₹ in lakhs)

	31.3.2020	31.03.2019
UNSECURED		
19.1.1 Loans & Advances from Related parties	800.00	800.00
(Long Term Deposit received from Kriti Nutrients Ltd.)		
19.1.2 Other Loans and advances	273.08	233.44
(Security Deposit received from dealers)		
Total	1,073.08	1,033.44
19. i) Lease Liability	317.23	–

Note 20. Short Term Borrowings

(₹ in lakhs)

	31.3.2020	31.03.2019
20. 1 Loans repayable on Demand		
20.1.1 SECURED		
From banks	4,110.09	3,202.52
(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)		
20.1.2 UNSECURED		
20.1.2.1 From banks	–	800.00
20.1.2.2 From others	–	–
20.1.2.3 Loans & Advances from Related parties	1,005.00	413.00
Total	5,115.09	4,415.52

Note 21. Trade Payables

(₹ in lakhs)

	31.3.2020	31.03.2019
21.1 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises		
(b) Total outstanding dues of creditors other than micro and small enterprises	14,458.36	11,989.49
Total	14,458.36	11,989.49

Note 22. Others

(₹ in lakhs)

	31.3.2020	31.03.2019
22.1 Current maturities of Long term debt	756.96	785.26
22.2 Unpaid dividends	15.16	16.02
Total	772.12	801.28

Note 23. Other Current Liabilities

(₹ in lakhs)

	31.3.2020	31.03.2019
23.1 Outstanding Expenses	229.44	103.62
23.2 Statutory Liabilities	69.75	92.99
23.3 Employee Payable	156.83	245.59
Total	456.02	442.20

Note 24. Provisions

(₹ in lakhs)

	31.3.2020	31.03.2019
24.1 Provision for Employees Benefits (Bonus)	82.32	74.12
24.2 Provision for Doubtful debts	18.83	11.35
Total	101.15	85.47

Note 25. Current Tax Liabilities

(₹ in lakhs)

	31.3.2020	31.03.2019
25.1 Provision of Income Tax	12.35	–
Total	12.35	–

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 26. Revenue From Operations

(₹ in lakhs)

	31.3.2020	31.03.2019
26.1 Sale of Products	53,397.43	56,864.74
26.2 Other operating revenues	24.30	36.83
Total	53,421.73	56,901.57

Note 27. Other Income

(₹ in lakhs)

	31.3.2020	31.03.2019
27.1 Interest Income	176.76	125.59
27.2 VAT/CST Subsidy	–	28.30
27.3 Net Gain on foreign currency transactions	4.30	38.68
27.4 Other Non-operating Income	6.10	19.53
Total	187.16	212.12

Note 28. Employee Benefits Expenses

(₹ in lakhs)

	31.3.2020	31.03.2019
28.1 Salaries & Wages	1,917.12	1,833.67
28.2 Contribution to provident and other fund	143.76	166.83
28.3 Staff Welfare Expenses	83.84	83.12
28.4 Director Remuneration	177.29	87.36
28.5 P.F on Director Remuneration	12.24	7.20
Total	2,334.25	2,178.18

Note 29. Financial Cost

(₹ in lakhs)

	31.3.2020	31.03.2019
29.1 Interest Expenses	1,474.56	1,238.43
29.2 Other Borrowing Cost	251.15	238.77
Total	1,725.71	1,477.20

Note 30. Other Expenses

(₹ in lakhs)

	31.3.2020	31.03.2019
(I)		
30.1 Stores and Spares Consumed	300.85	287.15
30.2 Power Charges	1,822.36	1,778.72
30.3 Freight & Cartage	508.32	522.91
30.4 Repairs & Maintenance	175.09	134.29
30.5 Insurance Charges	70.94	19.11
30.6 Water Charges	44.15	34.89
30.7 Loss on Sale of Fixed asset	–	0.51
30.8 Job Work Charges	87.80	137.48
30.9 Miscellaneous Manufacturing Expenses	121.05	121.51
Sub Total (I)	3,130.56	3,036.57
(II)		
30.10 Stationery & Printing	7.33	8.75
30.11 Computer Expense	4.68	5.71
30.12 Rent, Rates and Taxes	44.94	71.52
30.13 Postage, Telegram and Telephones	14.96	16.83
30.14 Auditor's Fees	3.00	2.50
30.15 Conveyance Expenses	20.22	18.50
30.16 Legal & Professional Charges	204.11	187.59
30.17 Miscellaneous Expenses	51.39	43.66
30.18 Director's Meeting Fee	3.90	4.10
30.19 Net loss on foreign currency transactions	–	–
30.20 Corporate Social Responsibility	13.73	1.60
Sub Total (II)	368.26	360.76

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

	31.3.2020	31.03.2019
(III)		
30.21 Advertisement & Publicity	3.91	0.36
30.22 Sales Promotion Expenses	162.65	200.64
30.23 Market Development Expenses	6.40	163.06
30.24 Brokerage & Commission	17.63	12.53
30.25 Service Charges	67.70	96.30
30.26 Freight Outward	1,177.64	1,218.57
30.27 Statutory Levies	5.37	10.37
30.28 Travelling Expenses	372.55	354.97
30.29 Expected credit Loss	7.45	–
30.30 Bad Debts	–	5.27
30.31 MAT Credit Write off	40.46	–
Sub Total (III)	1,861.76	2,062.07
TOTAL (I+II+III)	5,360.58	5,459.40

Note 31. 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.

Note 32. Contingent liabilities

32.1 Estimated amount of contracts remaining to be executed on Capital Account ₹187.49 Lakhs Net of advance given (Previous Year ₹39.02 Lakhs).

32.2 Bank has given guarantee on behalf of the Company to various parties to the extent of ₹1,106.20 Lakhs (Previous Year ₹871.73 Lakhs.)

32.3 Claims not acknowledge by the company on Commercial tax matters ₹211.89 Lakhs (total demand ₹461.43 Lakhs less demand deposited ₹249.54 Lakhs) (Previous Year ₹245.63 Lakhs).

Note 33. Remuneration Paid/Payable to Managing Director / Executive Director

(₹ in lakhs)

Paid / Payable	Current Year	Previous year
Remuneration	126.24	79.20
Commission	63.29	15.36
TOTAL	189.53	94.56

Note 34. Unpaid overdue amount due on March 31, 2020 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to ₹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.

Note 35. The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is ₹4.30 Lakhs (Previous Year gain/ (loss) ₹38.68 Lakhs).

Note 36. Corporate Social Responsibility

(₹ in lakhs)

	2019-20	2018-19
Amount required to be spent	25.10	31.00
Amount spent during the year	13.73	1.60

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 37. The disclosure required as per Indian Accounting Standard (IndAS) 19 “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.

(₹ in lakhs)

	31.3.2020	31.03.2019
(b) Table showing changes in present value of obligations as on		
Present value of obligations as at beginning of the year	177.55	170.96
Interest Cost	13.32	13.68
Current Service Cost	20.85	18.32
Benefit Paid	(5.12)	(25.11)
Actuarial (gain)/loss on obligations	(17.80)	(0.29)
Present value of obligations as at end of the year	188.80	177.55
(c) Table showing changes in the fair value of plan assets as on		
Fair value of the plan assets at the beginning of the year	196.09	192.62
Expected return on plan assets	15.42	14.80
Contribution	10.99	13.77
Benefit Paid	(5.12)	(25.11)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	217.38	196.09
(d) Table showing fair value of plan assets as on		
Fair value of plan assets at beginning of the year	196.09	192.62
Actual return on plan assets	15.42	14.80
Contribution	10.99	13.77
Benefit Paid	(5.12)	(25.11)
Fair value of the plan assets at the end of the year	217.38	196.09
Funded status	28.58	18.54
Excess of actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return= estimated rate of return as ARD falls on 31/03/2020)		
(e) Actuarial Gain/Loss recognized as on		
Actuarial (Gain)/Loss for the year-obligation	17.80	0.29
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Actuarial (Gain)/Loss for the year	(17.80)	(0.29)
Actuarial (Gain)/Loss recognized for the year	(17.80)	(0.29)
(f) Expenses recognised during the year		
In statement of profit and loss		
Current Service Cost	20.85	18.32
Interest cost	13.32	13.68
Expected return on Plan Asset	(15.42)	(14.80)
Net Cost	18.75	17.20
In other Comprehensive Income		
Actuarial (Gain)/Loss on obligation for the period	17.80	(0.29)
Net (income)/Expense for the period recognised in OCI	17.80	(0.29)
(g) Assumption		
Discount rate	7.25%	7.50%
Salary Escalation	7.00%	7.00%

Note 38. Deferred Tax Calculations

(₹ in lakhs)

Sr. No.	DEFERRED TAX LIABILITY/ (ASSETS)	Current Year	Previous Year
a.	Deferred Tax Liability (Net) for the year	(298.18)	198.33
b.	Opening Bal. of Deferred Tax Liability	1271.56	1073.23
c.	Closing Bal. of Deferred Tax Liability	973.38	1271.56

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Note 39. Since the company has presented Consolidated Financial Statements, it is not required to present segment information in the standalone financial statements as per Ind AS 108- Operating Segments.

Note 40. 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.	DEFERRED TAX LIABILITY/ (ASSETS)	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (₹ in Lakhs)	1923.92	661.50
3.	Basic Earning Per Share	3.88	1.33
4.	Diluted Earning Per Share	3.88	1.33
5.	Nominal Value Per Share	1.00	1.00

Note 41. In accordance with the Indian Accounting Standard (Ind AS) 24 "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, Chairman & Managing Director
 Smt. Purnima Mehta, Executive Director
 Shri Manoj Fadnis , Independent Director
 Shri Chandrasekharan Bhaskar, Independent Director
 Shri Rakesh Kalra , Independent Director
 Shri Kamal Kanodia, Chief Financial Officer
 Ms. Apeksha Baisakhiya, Company Secretary

ii. Relatives of Key Management Personnel

Shri Saurabh Singh Mehta (Son of Chairman & Managing Director / Executive Director)
 Smt. Devki Hirawat (Daughter of Chairman & Managing Director/ Executive Director)
 Smt. Nidhi Mehta (Daughter-in-law of Chairman & 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. (Fellow Subsidiary)
 3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary)
 4) Sakam Charitable Trust, Indore

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

(₹ in lakhs)

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)	216.23 (624.99)
2	Sale of Consumable Items	3.78 (NIL)	NIL (NIL)	NIL (NIL)	9.36 (29.84)
3	Purchase of Consumable Items	18.57 (6.56)	NIL (NIL)	NIL (NIL)	NIL (0.11)
4	Remuneration	NIL (NIL)	220.51 (94.56)	6.22 (NIL)	NIL (NIL)
5	Rent Paid	NIL (NIL)	0.18 (NIL)	NIL (NIL)	3.70 (14.82)
6	Unsecured Loan Given	197.00 (86.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Received	NIL (NIL)	251.00 (203.00)	41.00 (NIL)	1200 (800)

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
7	Interest Received	18.42 (18.91)	NIL (NIL)	NIL (NIL)	NIL (NIL)
8	Interest Given	NIL (NIL)	50.46 (35.30)	6.42 (NIL)	112.74 (10.51)

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

* The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

Note 42. Auditor's Remuneration

(₹ in lakhs)

Sr. No.	Auditor's Remuneration	31.03.2020	31.03.2019
a.	Statutory Audit/ Tax Audit Fees	3.00	2.50
b.	Taxation & Other matters including Legal & Professional Expenses.	0.68	0.11
	Total	3.68	2.61

*Figures are exclusive of taxes

Note 43. A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximize the Share Holder Value.

The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Bearing Loans and Borrowings	1532.05	2194.78
Current maturities of Long Term debts	756.96	785.26
Gross Debt	2289.01	2980.04
Less: Cash and Cash Equivalents	157.49	116.28
Net Debt (A)	2131.52	2863.76
Total Equity (as per Balance Sheet) (B)	10379.28	8529.21
Net Gearing (A/B)	0.21	0.34

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i. Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from change of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings and foreign currency payables.

Company's Term Loans & Working Capital interest rates are linked to 1 year MCLR rate, reset annually. Short Term Borrowings as and when taken are governed by prevailing rates at the time of disbursement.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2020 would have been decreased/ increased by ₹137.38 Lakhs.

The Company is exposed to risk with regard to foreign currency payables.

The Company is affected by the price volatility of Polymer prices. The Company enters into purchase contracts on a short term and forward foreign exchange contracts (matching the purchase contracts) are entered into to minimize price fluctuations.

ii. Credit Risk

Is the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents as well as credit exposure to customers.

Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(As per companies act 2013)

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

Company's marketing policies & credit period is determined on the basis of segments sales history and credit worthiness of the customers. The sales affected through dealer network is normally 7-10 days credit period & in institutional sales some customers open Letters of Credit and some large corporate enjoys the credit facilities ranging 30-90 days.

iii Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting next month cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Company has access to various source of Short term funding and debit maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements. Trade and other payables are plugged as per credit terms and paid accordingly.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts

Note 44. The Board of Directors have recommended dividend of ₹0.15/- Per fully paid up equity share of ₹1/- each aggregating ₹89,69,950/- including ₹15,29,417/- dividend distribution tax for the financial year 2019-20, which is based on The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure relevant share capital as on March 31, 2020.

Note 45. Estimation of uncertainties relating to global health pandemic COVID-19

Spread of COVID-19 has effected the economic activity across the Globe including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenges in meeting the financial obligations, on the long-term basis. Further, the company does not carry any risk in the recoverability and carrying values of its assets including Property, Plant and Equipment, trade receivables, inventories and investments (except investments in 100 % subsidiary). The company does not anticipate any additional liability as at Balance Sheet date.

In case of investment of ₹777 Lakhs in the shares of its 100 % subsidiary M/s Kriti Auto and Engineering Plastics Pvt. Ltd., the company has provided for impairment loss. Due to COVID-19 automobile industry in India is passing through deep recession and there is no clarity of revival as on date. Our business has been severely impacted over the last two months (i.e. April and May, 20) and June, 20 as well. On prudential basis the company has provided an Impairment loss of 15 % i.e ₹116.55 Lakhs in its books on an investment of ₹777.00 Lakhs. However the company will closely monitor any material changes to future economic conditions impacting its business.

Note 46. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities as at 31st March, 2019 and the estimate of Tax Expense for the year ended 31st March, 2020 have been re-measured. As a result there is a reversal of ₹298.18 Lakhs of Deferred Tax Liability (DTL) and MAT Credit reversal of ₹40.46 Lakhs.

Note 47. The Company has adopted Ind AS 116 'Leases' w.e.f. 01.04.2019, As a result Right-of-Use Asset of ₹300.37 Lakhs and Lease Liability of ₹317.23 Lakhs have been recognized in the books as at 31st March, 2020.

Note 48. Approval of Financial Statements

The financial statements are approved by the Board of Directors in their meeting held on 29.06.2020.

As per our Report of even date attached

For **Rakesh Kumar & Associates**
Chartered Accountants
F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta
Partner
M.No. 070906

Shiv Singh Mehta
Chairman and Managing Director
DIN 00023523

Purnima Mehta
Executive Director
DIN 00023632

Kamal Kanodia
Chief Financial officer

Apeksha Baisakhiya
Company Secretary

Place: Indore
Date: 29th June, 2020

A large, solid dark blue square is centered on a white background. Inside this square, the text "CONSOLIDATED FINANCIAL REPORT" is written in white, uppercase, sans-serif font, centered both horizontally and vertically.

CONSOLIDATED FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Kriti Industries (India) Limited

Report on the Audit of the Consolidated Financial Statements:

Opinion:

We have audited the accompanying consolidated financial statements of KRITI INDUSTRIES (INDIA) LIMITED ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on our consolidated financial statements.

Key Audit Matters :

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes not acknowledged as debt. (Note No. 32.3 of the consolidated financial statements read with Note No. 2.2.9 and 2.2.11 to the standalone financial statements): The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and the Balance Sheet.	Our audit approach involved :- - Understanding the current status of the litigations/tax assessments; - Examining communication received from various Tax Authorities/ Judicial forums and follow up action thereon; - Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; and - Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome.

S. No.	Key Audit Matter	Auditor's Response
2.	As at 31 March 2019, the carrying amount of investment in wholly owned subsidiary is ₹777 Lacs. Management has considered that the losses suffered by the subsidiary and the prevailing economic conditions due to this pandemic indicates a possible impairment in the carrying value of investment. Accordingly, the management has performed an impairment assessment and has estimated the recoverable amount of its investment in the subsidiary which involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions. As per such assessment done by the management, the carrying value of the investment was impaired by ₹116.55 Lacs in the current year, as disclosed in Note No. 38 to the consolidated financial statements.	Besides obtaining an understanding of Management's processes and controls with regard to testing the investments for impairment, our procedures included the following :- - We obtained an understanding of the methodology applied by management in performing its impairment test for the investment and tested effectiveness of the controls over the process. - Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, discount rates etc. based on historical results, current developments and future plans of the business estimated by management. - Assessed cash flow forecasts to ensure consistency with current operations of the Company and performed sensitivity analysis on key assumptions.
	We determined the above areas as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.	

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information ("the Other Information"), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these 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, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the

Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiary has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the 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 including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian 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, 2020 taken on record by the respective

Board of Directors of the Company, none of the directors of the companies included in the Group is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure – A" which is based on the auditor's report of the Holding Company and its subsidiary. Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- (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 has disclosed the impact of pending litigations on the consolidated financial position of the Group - Refer Note 32.3 to the consolidated Ind AS 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 was 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 the subsidiary during the year ended 31st March 2020.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants
Firm Reg. No. : 002150C

CA. RAKESH KUMAR GUPTA

Partner
Membership No. : 070906

Place : Indore
Date : 29th June 2020

“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 Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31st March 2020.

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 Ind AS financial statements of the Company as of and for the year ended 31 March 2020, 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 2020, 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
Firm Reg. No. : 002150C

CA. RAKESH KUMAR GUPTA

Partner
Membership No. : 070906

Place : Indore
Date : 29th June 2020

Consolidated Balance Sheet as on 31.03.2020

(₹ in lakhs)

Sr. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
	ASSETS			
(1)	NON CURRENT ASSETS			
	(a) Property, Plant and Equipment	3	10,611.28	9,839.22
	(b) Capital work-in-progress		94.97	67.18
	(c) Other Intangible assets	4	15.52	21.20
	(d) Financial Assets			
	(i) Investments	5	2.15	2.15
	(ii) Loans	6	245.22	208.22
	(iii) Other financial assets	7	–	0.74
	(f) Other non current assets	8	–	40.46
	Total Non Current Assets		10,969.14	10,179.17
(2)	Current assets			
	(a) Inventories	9	13,561.60	11,309.92
	(b) Financial Assets			
	(i) Trade receivables	10	7,291.80	6,824.15
	(ii) Cash and cash equivalents	11	4.81	3.73
	(iii) Bank balances other than (ii) above	12	1,388.93	1,210.88
	(iv) Loans	13	1,958.54	1,495.79
	(c) Other current assets	14	123.68	124.94
	Total Current Assets		24,329.36	20,969.41
	Total Assets		35,298.50	31,148.58
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	15	496.04	496.04
	(b) Other Equity	16	9,411.86	7,635.53
	Total Equity		9,907.90	8,131.57
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	1,532.05	2,194.79
	(b) Deferred tax liabilities (Net)	18	1,045.76	1,347.25
	(c) Other non-current liabilities	19	1,073.08	1,033.42
	(i) Lease Liability		317.23	–
	Total non current Liabilities		3,968.12	4,575.46
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	20	5,116.44	4,614.15
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises			
	(b) Total outstanding dues of creditors other than micro and small enterprises	21	14,798.57	12,427.85
	(iii) Others	22	772.12	801.28
	(b) Other current liabilities	23	500.38	507.86
	(c) Provisions	24	222.62	90.41
	(d) Current tax liabilities (Net)	25	12.35	–
	Total current Liabilities		21,422.48	18,441.55
	Total Equity and Liabilities		35,298.50	31,148.58

Significant accounting policies & Notes to the accounts 1-39

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta

Partner

M.No. 070906

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Kamal Kanodia

Chief Financial officer

Apeksha Baisakhiya

Company Secretary

Place: Indore

Date: 29th June, 2020

Consolidated Statement of Profit & Loss for the period ended 31.03.2020

(₹ in lakhs)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
REVENUE			
Revenue From Operations	26	54,871.60	58,765.93
Other Income	27	170.30	214.80
Total Income		55,041.90	58,980.73
EXPENSES			
Cost of materials consumed		41,546.23	49,237.03
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress		729.71	(1,519.13)
Employee benefits expense	28	2,454.60	2,322.67
Finance costs	29	1,744.74	1,517.16
Depreciation and amortization expense	3-4	743.50	624.63
Other expenses	30	5,628.89	5,799.74
Total Expenses		52,847.67	57,982.10
Profit/(loss) before exceptional items and tax		2,194.23	998.63
Exceptional Items (Impairment Loss)		116.55	
Profit/(loss) before tax		2,077.68	998.63
Tax expense:			
(1) Current tax		530.11	186.98
(2) Deferred tax		(301.49)	210.97
Total Tax Expenses		228.62	397.95
Net Profit/(Loss) for the period from continuing operations		1,849.06	600.68
Profit/(Loss) for the period from discontinued operations		-	-
Tax expense:			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Net Profit/(Loss) for the period from discontinued operations		-	-
Net Profit/(Loss) for the period.		1,849.06	600.68
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		16.98	(1.17)
Total Other Comprehensive Income		16.98	(1.17)
Total Comprehensive Income for the period		1,866.04	599.51
Earnings per equity share			
(1) Basic		3.73	1.21
(2) Diluted		3.73	1.21

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta

Partner

M.No. 070906

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Kamal Kanodia

Chief Financial officer

Apeksha Baisakhiya

Company Secretary

Place: Indore

Date: 29th June, 2020

Consolidated Cash Flow Statement as on 31.03.2020

(₹ in lakhs)

Particulars	Year ended 31.3.2020		Year ended 31.03.2019	
	Amount	Amount	Amount	Amount
Cash Flow From Operating Activities				
Net Profit before Tax		2,077.68		998.62
Adjustments for :				
Depreciation	743.50		624.60	
(Profit)/ Loss on Sale of Fixed Assets	–		–	
Financial Income	(159.61)		128.27	
OCI Income	16.69			
Financial Expense	1,744.74	2,345.32	1,517.15	2,270.02
Cash Operating Profit before working capital changes		4,423.00		3,268.64
(Increase) / Decrease in Inventories	(2,251.68)		(1,556.64)	
(Increase) / Decrease in Trade Receivables	(467.65)		(1,983.13)	
(Increase) / Decrease in Deposit given	(462.75)		(28.24)	
(Increase) / Decrease in Other Current Assets	1.26		152.00	
(Increase) / Decrease in Loan Given	(37.00)		(363.56)	
(Increase) / Decrease in other Financial assets	0.74		41.10	
(Increase) / Decrease in Other Non Current Assets	40.46		(40.46)	
Increase / (Decrease) in Trade Payables	2,370.72		2,485.99	
Increase / (Decrease) in Other Financial Liabilities	(29.16)		(97.66)	
Increase / (Decrease) in Other Current Liabilities	(7.48)		68.80	
Increase / (Decrease) in Provisions	132.21		46.29	
Increase / (Decrease) in Other Tax Liabilities	12.35			
		(697.98)		(1,275.51)
Tax Paid		(530.11)		(224.63)
Net Cash From Operating Activities (A)		3,194.91		1,768.50
Cash Flow From Investing Activities				
Financial Income	159.90		(128.27)	
Sale Proceed Of Fixed Assets (Net)			20.61	
Purchase of Fixed Assets	(1,537.67)		(2,177.29)	
Investment in Fixed Deposits against margin money	(178.05)		(222.19)	
(Increase) / Decrease in Non Current Investment				
Net Cash Used In Investing Activities (B)		(1,555.82)		(2,507.14)
Cash Flow From Financing Activities				
Proceeds from Long Term Borrowings	–		1,650.00	
Repayment of Long Term Borrowings	(662.74)		(785.25)	
Net Increase / (Decrease) in Long Term Borrowings	(662.74)		864.75	
Increase / (Decrease) in Other Non Current Liability	356.89		821.91	
Increase / (Decrease) in Short Term Borrowings	502.29		502.64	
Dividend Paid on Equity Shares	(74.41)		(89.55)	
Dividend Distribution Tax Paid	(15.29)		–	
Financial Expenses	(1,744.74)		(1,517.15)	
Net Cash Used In Financing Activities (C)		(1,638.00)		582.60
Net Decrease In Cash and Cash Equivalents (A + B + C)		1.08		(156.04)
ADD : Cash and cash equivalents - Opening - 1st April		3.73		159.77
Cash and cash equivalents - Closing - 31st March, 2020		4.81		3.73

Consolidated Cash Flow Statement as on 31.03.2020**Footnote to Cash Flow Statement:**

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

(₹ in lakhs)

Particulars	2019-20	2018-19
Cash & Cash Equivalents		
Balances with Banks		
Current Account	1.01	1.04
Cash on hand	3.80	2.69
Total of Cash & Cash Equivalent	4.81	3.73

Significant accounting policies & Notes to the accounts 1 - 39

As per our Report of even date attached

For **Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta

Partner

M.No. 070906

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Kamal Kanodia

Chief Financial officer

Apeksha Baisakhiya

Company Secretary

Place: Indore

Date: 29th June, 2020

Consolidated Statement of Change in Equity for the year ended 31st March, 2020

Share capital

Equity Share Capital	Balances as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019	Balances as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
Paid up Capital	496.04	–	496.04	496.04	–	496.04

Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	General Reserve	Share Premium Account	Contingency Reserve	Share Forfeiture Account	Retained Earnings	Total		
Balances as at 1st April 2018	3,375.00	466.14	–	2.73	3,281.85	7,125.72	–	7,125.72
Total Comprehensive Income					600.67	600.67	1.75	602.42
Final Dividend paid including corporate dividend tax for FY 2018-19					(92.61)	(92.61)	–	(92.61)
Interim Dividend paid including corporate dividend tax						–	–	–
Transfer to General Reserve	50.00				(50.00)	–	–	–
Balance as at 31st March, 2019	3,425.00	466.14	–	2.73	3,739.91	7,633.78	1.75	7,635.53
Total Comprehensive Income					1,849.05	1,849.05	16.98	1,866.03
Final Dividend paid including corporate dividend tax					(89.70)	(89.70)	–	(89.70)
Transfer to General Reserve	100.00				(100.00)	–	–	–
Balance as at 31st March, 2020	3,525.00	466.14	–	2.73	5,399.26	9,393.13	18.73	9,411.86

General Reserve

General Reserve are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

Share Premium Account

Share Premium to be used in future to pay the expenses of issuing equity, such as underwriter fees or for issuing bonus shares to shareholders.

Contingency Reserve

Contingency Reserve is created to meet any known unknown risk which may occur in future.

Share Forfeiture Account

To use Stock purchase plans to inspire employee loyalty.

Significant accounting policies and notes to the accounts 31.03.2020

1. CORPORATE INFORMATION

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).

2. Statement of Accounting Policies

2.1 Basis of Accounting

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments),
- Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

2.2 Principles of consolidation

2.2.1. 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.

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

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

Name of Company	Country of incorporation	% Voting Power held as at 31st March 2020	% Voting power held as at 31st March 2019
Kriti Auto & Engineering Plastics Pvt. Ltd (KAEPPL)	India	100	100

2.3. 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.

Note 3-4. Property, Plant and Equipment (2019-20)

(₹ in lakhs)

Note	Particular	Gross Block				DEPRECIATION				Net Block	
		01.04.2019	Addition	Deduction	Total	01.04.2019	For the Year	Written back	Total	31.03.2020	31.03.2019
3	Tangible Assets										
3.1	Land										
3.1.1	Free hold Land	220.82	4.52	–	225.34	–	–	–	–	225.34	220.81
3.1.2	Lease hold Land *	85.56	–	–	85.56	3.23	1.08	–	4.31	81.25	82.34
3.2	Buildings	2,285.82	224.17	–	2,509.99	198.29	95.85	–	294.14	2,215.85	2,087.53
3.3	Plant & Machinery	8,741.21	937.72	–	9,678.93	1,400.23	577.43	–	1,977.65	7,701.27	7,340.98
3.4	Furniture	53.06	6.18	–	59.24	10.39	5.23	–	15.62	43.62	42.68
3.5	Vehicles	24.35	–	–	24.35	14.00	3.75	–	17.75	6.60	10.36
3.6	Office Equipment	121.46	12.58	5.39	128.64	66.92	30.14	5.39	91.67	36.97	54.52
3.7	Right-of-Use Asset:										
3.7.1	Office Building	–	324.72	–	324.72	–	24.35	–	24.35	300.37	–
	Total (3)	11,532.28	1,509.88	5.39	13,036.77	1,693.06	737.82	5.39	2,425.49	10,611.28	9,839.22
	Previous Year	9,398.41	2,155.49	21.63	11,532.27	1,076.73	616.77	0.45	1,693.05	9,839.22	8,321.68
4	Intangible Assets										
4.1	Computer Software	50.91	–	–	50.91	29.70	5.69	–	35.39	15.52	21.20
	Total (4)	50.91	–	–	50.91	29.70	5.69	–	35.39	15.52	21.20
	Previous Year	46.35	4.55	–	50.90	21.84	7.86	–	29.70	21.20	24.51
	Grand Total	11,583.19	1,509.88	5.39	13,087.68	1,722.77	743.51	5.39	2,460.88	10,626.80	9,860.42
	Previous Year	9,444.76	2,160.04	21.63	11,583.17	1,098.57	624.63	0.45	1,722.75	9,860.42	8,346.19

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

Note 5. Investment

(₹ in lakhs)

	31.3.2020	31.03.2019
5.1 Investment in Trust Securities		
5.1.1 National Saving Certificate	0.14	0.14
5.2 Unquoted		
Non Trade Investment in equity instruments		
5.2.1 Sahkari Audhyogik Vasahat Limited (1 Share of ₹500/-)	0.01	0.01
5.2.2 The Cosmos Co-operative Bank Ltd. (1000 Equity Shares of ₹100/- each)	1.00	1.00
Trade Investment in equity instruments		
5.2.3 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary)	1.00	1.00
Total	2.15	2.15

Note 6. Loans

(₹ in lakhs)

	31.3.2020	31.03.2019
6.1 Security Deposits	245.22	208.22
Total	245.22	208.22

Note 7. Other Financial Assets

(₹ in lakhs)

	31.3.2020	31.03.2019
7.1 Fixed deposit with banks having maturity more than 12 months	–	0.74
Total	–	0.74

Note 8. Other Non Current Assets

(₹ in lakhs)

	31.3.2020	31.03.2019
8.1 Mat Credit Entitlement	–	40.46
Total	–	40.46

Note 9. Inventories

(₹ in lakhs)

	31.3.2020	31.03.2019
9.1 Raw Material	6,379.59	3,278.54
9.2 Finished Goods	6,808.37	7,538.08
9.3 Stores and Spares & others	373.64	493.30
Total	13,561.60	11,309.92

Note 10. Trade Receivables

(₹ in lakhs)

	31.3.2020	31.03.2019
10.1 Trade Receivables	–	–
Unsecured considered good	7,291.80	6,824.15
Total	7,291.80	6,824.15
Trade receivables		
Secured, considered good	–	–
Unsecured, considered good	7,291.80	6,824.15
Trade Receivables which have significant increase in Credit Risk	–	–
Less: Impairment for trade receivable		
Trade Receivables - credit impaired		
Current trade receivables	7,291.80	6,824.15
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.		

Note 11. Cash and Cash Equivalents

(₹ in lakhs)

	31.3.2020	31.03.2019
11.1 Balances with Banks	1.01	1.04
11.2 Cash on hand	3.80	2.69
Total	4.81	3.73

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

Note 12. Other Bank Balances

(₹ in lakhs)

	31.3.2020	31.03.2019
12.1 Unpaid dividend	15.16	16.02
12.2 Fixed deposit with banks against margin money (Maturity less than 12 months)	1,373.77	1,194.86
Total	1,388.93	1,210.88

Note 13. Loans

(₹ in lakhs)

	31.3.2020	31.03.2019
13.1 Unsecured, Considered good	1,958.54	1,495.79
Advances recoverable in cash or kind or for value to be received	–	–
Total	1,958.54	1,495.79

Note 14. Other Current Assets

(₹ in lakhs)

	31.3.2020	31.03.2019
14.1 Sundry Deposits	57.79	28.04
14.2 Advance Tax/ Tax Deducted at source	0.55	19.60
14.3 CENVAT	11.43	16.74
14.4 Accrued Interest/ Income	53.91	60.56
Total	123.68	124.94

Note 15. Share Capital

(₹ in lakhs)

	31.3.2020	31.03.2019
15.1 AUTHORIZED		
15.1.1 80000000 Equity Shares of ₹1/- each	800.00	800.00
15.1.2 160000000 Optional convertible Preference Shares of ₹10/- each	200.00	200.00
15.2 ISSUED, SUBSCRIBED AND PAID UP		
15.2.1 49603520 equity shares of ₹1/- each fully paid up. which are issued as fully paid up Shares on 27.01.2010 on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
15.2.2 Reconciliation of shares		
15.2.2.1 Opening Balance of 49603520 shares of ₹1/- each Total	496.04	496.04
15.2.2.2 Issued during the year	–	–
15.2.2.3 Closing Balance 49603520 shares of ₹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 ₹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.		
	496.04	496.04
15.3 Shareholder holding more than 5 % of shares of the company and its percentage		
15.3.1 Sakam Trading Private Limited		
No. of Shares	25843673	25843673
% of Shares	52.10%	52.10%
15.3.2 Chetak Builders Private Limited		
No. of Shares	4593841	4488793
% of Shares	9.26%	9.05%
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.		

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

Note 16. Reserves & Surplus

(₹ in lakhs)

	31.3.2020	31.03.2019
16.1 RESERVES		
16.1.1 General Reserve		
16.1.1 Opening Balance	3,425.00	3,375.00
16.1.2 Add: Transfer from P&L	100.00	50.00
16.1.3 Add: Transfer from Contingency Reserves	–	–
16.1.4 Closing Balance	3,525.00	3,425.00
16.2 SHARE PREMIUM ACCOUNT		
16.2.1 Opening Balance	466.14	466.14
16.2.2 Add: Transfer from P&L	–	–
16.2.3 Closing Balance	466.14	466.14
16.3 SHARE FORFEITURE ACCOUNT		
16.3.1 Opening Balance	2.73	2.73
16.3.2 Add: Transfer from P&L	–	–
16.3.3 Closing Balance	2.73	2.73
16.4 SURPLUS		
16.4.1 Statement of Profit & Loss		
16.4.1 Opening Balance	3,743.83	3,281.85
16.4.1.2 Add Profit & Loss during the period	1,849.05	600.67
	5,592.88	3,882.52
Less:		
16.4.2 Final Dividend @ Re.0.15 per share	74.41	76.40
16.4.3 Corporate Dividend Tax	15.29	16.21
16.4.4 Transferred to General Reserve	100.00	50.00
16.4.5 Other Comprehensive Income		(1.46)
Balance in Surplus	5,403.18	3,741.37
16.5 OTHER COMPREHENSIVE INCOME (OCI)		
16.5.1 Opening Balance	0.29	–
16.5.2 Movement in OCI during the year	14.52	0.29
16.5.3 Closing Balance	14.81	0.29
Total	9,411.86	7,635.53

Note 17. Financial Liabilities

(₹ in lakhs)

Particulars	31.3.2020	31.03.2019
17.1 TERM LOAN	200.00	400.00
(Installment due within 12 months shown in Current Liabilities)		
17.1.1 SECURED		
17.1.1.1 From Banks		
Term of Repayment of Long Term Borrowings		
Particulars	Total tenure	Rate of Interest
HDFC Bank	24 Quarterly Installment	11.50%
HDFC Bank	06 Quarterly Installment	10.55%
YES Bank	16 Quarterly Installment	9.50%
HDFC Bank	18 Quarterly Installment	10.50%
Total	1,532.05	2,194.79

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

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

Note 18. Deferred Tax Liability Net

(₹ in lakhs)

	31.3.2020	31.03.2019
18.1 Deferred Tax Liability (Net)	1,045.76	1,347.25
On account of tax effects on timing difference arising due to difference in Depreciation	–	–
Total	1,045.76	1,347.25

Note 19. Other Non Current Liabilities

(₹ in lakhs)

	31.3.2020	31.03.2019
UNSECURED		
19.1.1 Loans & Advances from Related parties	800.00	800.00
(Long Term Deposit received from Kriti Nutrients Ltd.)	–	–
19.1.2 Other Loans and advances	273.08	233.42
(Security Deposit received from dealers)	–	–
Total	1,073.08	1,033.42
19.i) Lease Liability	317.23	–

Note 20. Short Term Borrowings

(₹ in lakhs)

	31.3.2020	31.03.2019
20.1 Loans repayable on Demand		
20.1.1 SECURED	–	–
From banks	4,111.44	3,207.65
(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)		
20.1.2 UNSECURED	–	–
20.1.2.1 From banks	–	993.50
20.1.2.2 From others	–	–
20.1.2.3 Loans & Advances from Related parties	1,005.00	413.00
Total	5,116.44	4,614.15

Note 21. Trade Payables

(₹ in lakhs)

	31.3.2020	31.03.2019
21.1 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	–	–
(b) Total outstanding dues of creditors other than micro and small enterprises	14,798.57	12,427.85
Total	14,798.57	12,427.85

Note 22. Others

(₹ in lakhs)

	31.3.2020	31.03.2019
22.1 Current maturities of Long term deb	756.96	785.26
22.2 Unpaid dividends	15.16	16.02
Total	772.12	801.28

Note 23. Other Current Liabilities

(₹ in lakhs)

	31.3.2020	31.03.2019
23.1 Outstanding Expenses	268.24	151.84
23.2 Statutory Liabilities	75.31	110.43
23.3 Employee Payable	156.83	245.59
Total	500.38	507.86

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

Note 24. Provisions

(₹ in lakhs)

	31.3.2020	31.03.2019
24.1 Provision for Employees Benefits (Bonus)	85.79	77.61
24.2 Provision for Doubtful debts	20.28	12.80
24.3 Provision For Impairment Loss	116.55	-
Total	222.62	90.41

Note 25. Current Tax Liabilities

(₹ in lakhs)

	31.3.2020	31.03.2019
25.1 Provision of Income Tax	12.35	-
Total	12.35	-

Note 26. Revenue From Operations

(₹ in lakhs)

	31.3.2020	31.03.2019
26.1 Sale of Products	54,845.48	58,726.24
26.2 Other operating revenues	26.12	39.69
Total	54,871.60	58,765.93

Note 27. Other Income

(₹ in lakhs)

	31.3.2020	31.03.2019
27.1 Interest Income	159.90	128.27
27.2 VAT/CST Subsidy	-	28.30
27.3 Net Gain on foreign currency transactions	4.30	38.68
27.4 Other Non-operating Income	6.10	19.55
Total	170.30	214.80

Note 28. Employee Benefits Expenses

(₹ in lakhs)

	31.3.2020	31.03.2019
28.1 Salaries & Wages	2,016.52	1,958.91
28.2 Contribution to provident and other fund	154.06	173.22
28.3 Staff Welfare Expenses	94.49	95.98
28.4 Director Remuneration	177.29	87.36
28.5 P.F on Director Remuneration	12.24	7.20
Total	2,454.60	2,322.67

Note 29. Financial Cost

(₹ in lakhs)

	31.3.2020	31.03.2019
29.1 Interest Expenses	1,475.01	1,238.75
29.2 Other Borrowing Cost	269.73	278.41
Total	1,744.74	1,517.16

Note 30. Other Expenses

(₹ in lakhs)

	31.3.2020	31.03.2019
(I)		
30.1 Stores and Spares Consumed	327.13	323.96
30.2 Power Charges	1,933.60	1,913.09
30.3 Freight & Cartage	566.25	612.67
30.4 Repairs & Maintenance	187.67	138.49
30.5 Insurance Charges	74.60	19.87
30.6 Water Charges	46.50	37.71
30.7 Loss on Sale of Fixed asset	-	0.51
30.8 Job Work Charges	89.64	141.19
30.9 Miscellaneous Manufacturing Expenses	129.56	131.54
Sub Total (I)	3,354.95	3,319.03

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

30. Other Expenses (contd.)

	31.3.2020	31.03.2019
(II)		
30.10 Stationery & Printing	10.11	12.29
30.11 Computer Expense	4.68	5.71
30.12 Rent, Rates and Taxes	47.56	73.42
30.13 Postage, Telegram and Telephones	16.80	18.75
30.14 Auditor's Fees	3.50	3.00
30.15 Conveyance Expenses	22.38	21.23
30.16 Legal & Professional Charges	206.58	193.40
30.17 Miscellaneous Expenses	52.59	44.42
30.18 Director's Meeting Fee	3.90	4.10
30.19 Net loss on foreign currency transactions	–	–
30.20 Corporate Social Responsibility	13.73	1.60
Sub Total (II)	381.83	377.92
(III)		
30.21 Advertisement & Publicity	3.91	0.36
30.22 Sales Promotion Expenses	164.31	202.54
30.23 Market Development Expenses	6.40	163.07
30.24 Brokerage & Commission	17.63	12.53
30.25 Service Charges	67.70	96.30
30.26 Freight Outward	1,205.55	1,256.45
30.27 Statutory Levies	5.37	10.54
30.28 Travelling Expenses	373.33	355.75
30.29 Expected credit Loss	7.45	–
30.30 Bad Debts	–	5.26
30.31 MAT Credit Write off	40.46	(0.01)
Sub Total (III)	1,892.11	2,102.79
TOTAL (I+II+III)	5,628.89	5,799.74

Note 31. 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.

Note 32. Contingent liabilities

32.1 Estimated amount of contracts remaining to be executed on Capital Account ₹187.49 Lakhs net of advance given (Previous Year ₹39.02 Lakhs)

32.2 Bank has given guarantee on behalf of the Company to various parties to the extent of ₹1106.20 Lakhs (Previous Year ₹871.73 Lakhs.)

32.3 Claims not acknowledge by the company on Commercial tax matters ₹212.42 Lakhs (total demand ₹461.96 Lakhs less demand deposited ₹249.54 Lakhs) (Previous Year ₹251.21 Lakhs).

Note 33. The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is ₹4.30 Lakhs (Previous year gain/ (loss) ₹ (38.68) Lakhs).

Note 34. As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Financial Statement

	(₹ in lakhs)	
	2019-20	2018-19
(i) Revenue from external customers		
With in India	54871.60	58765.93
Out side India	–	–
Total	54871.60	58765.93
(ii) Non Current Assets		
With in India	10969.14	10179.17
Out side India	–	–
Total	10969.14	10179.17

Consolidated Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

iii) Detail of Revenue from Single customer more than 10% (standalone)

There are no transaction with single customer which amounts to 10% or more of the Company's revenue .

Note 35. Earning Per Share

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

(₹ in lakhs)

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (₹ in Lakhs)	1849.06	600.67
3.	Basic Earning Per Share	3.73	1.21
4.	Diluted Earning Per Share	3.73	1.21
5.	Nominal Value Per Share	1.00	1.00

Note 36. In accordance with the Indian Accounting Standard (IndAS) 24 "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, Chairman & Managing Director
Smt. Purnima Mehta, Executive Director
Shri Manoj Fadnis, Independent Director
Shri Chandrasekharan Bhaskar, Independent Director
Shri Rakesh Kalra, Independent Director
Shri Kamal Kanodia, Chief Financial Officer
Ms. Apeksha Baisakhiya, Company Secretary

ii. Relatives of Key Management Personnel

Shri Saurabh Singh Mehta (Son of Chairman & Managing Director/ Executive Director)
Smt. Devki Hirawat (Daughter of Chairman & Managing Director/ Executive Director)
Smt. Nidhi Mehta (Daughter-in-law of Chairman & 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. (Fellow Subsidiary)
3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary)
4) Sakam Charitable Trust, Indore

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

(₹ in lakhs)

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)	216.23 (624.99)
2	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	9.36 (29.84)
3	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (0.11)
4	Remuneration	220.51 (94.56)	NIL NIL	NIL (NIL)

Consolidated Forming Part of The Balance Sheet and Statement of Profit & Loss Account

Sr. No.	Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
5	Rent Paid	0.22 (NIL)	NIL (NIL)	3.70 (14.82)
6	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Received	251.00 (203.00)	NIL (NIL)	1266.50 (815.50)
7	Interest Given	50.46 (35.30)	NIL (NIL)	131.15 (30.55)

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

* The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

Note 37. Auditor's Remuneration

(₹ in lakhs)

Sr. No.	Auditor's Remuneration	31.03.2020	31.03.2019
a.	Statutory Audit/ Tax Audit Fees	3.50	3.00
b.	Taxation & Other matters including Legal & Professional Expenses.	0.68	0.11
	Total	4.18	3.11

Figures are exclusive of taxes.

Note 38. Estimation of uncertainties relating to global health pandemic COVID-19

Spread of COVID-19 has effected the economic activity across the Globe including India.

This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenge in meeting the financial obligations, on the long-term basis. Further, the company does not carry any risk in the recoverability and carrying values of its assets including Property, Plant and Equipment, trade receivables, inventories and investments (except investments in 100 % subsidiary). The company does not anticipate any additional liability as at Balance Sheet date.

In case of investment of ₹777 Lakhs in the shares of its 100% subsidiary M/s Kriti Auto and Engineering Plastics Pvt. Ltd., the company has provided for impairment loss. Due to COVID-19 automobile industry in India is passing through deep recession and there is no clarity of revival as on date. Our business has been severely impacted over the last two months (i.e. April and May, 20) and June, 20 as well. On prudential basis the company has provided an impairment loss of 15% i.e. ₹116.55 Lakhs in its books on an investment of ₹777.00 Lakhs.

However the company will closely monitor any material changes to future economic conditions impacting its business.

Note 39. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities as at 31st March, 2019 and the estimate of Tax Expense for the year ended 31st March, 2020 have been re-measured. As a result there is a reversal of ₹298.18 Lakhs of Deferred Tax Liability (DTL) and MAT Credit reversal of ₹40.46 Lakhs.

As per our Report of even date attached

For **Rakesh Kumar & Associates**
Chartered Accountants
F.R.N. 002150C

For and on behalf of the Board of Directors

Rakesh Kumar Gupta
Partner
M.No. 070906

Shiv Singh Mehta
Chairman and Managing Director
DIN 00023523

Purnima Mehta
Executive Director
DIN 00023632

Kamal Kanodia
Chief Financial officer

Apeksha Baisakhiya
Company Secretary

Place: Indore
Date: 29th June, 2020

NOTES

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Corporate Information

Board of Directors

Shri Shiv Singh Mehta
Chairman & Managing Director

Smt. Purnima Mehta
Executive Director

Shri Saurabh Singh Mehta
Director

Shri Rakesh Kalra
Independent Director

CA Manoj Fadnis
Independent Director

Shri Chandrasekharan Bhaskar
Independent Director

Auditors

Rakesh Kumar & Associates
Chartered Accountants
"Navaratan", 128-R, Khatiwala Tank,
Indore – 452 004 (M.P.)

Bankers

State Bank of India
IDBI Bank Ltd.
HDFC Bank Ltd.

Company Secretary

Ms. Apeksha Baisakhiya

Registered Office

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

Corporate Support Center

8th floor, Plot no.10, PSP, IDA Scheme no.
78-II, Vijay nagar Indore 452010 MP IN

Share Transfer Agent

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



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GROUP

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