



# KRITI NUTRIENTS LIMITED

"Chetak Chambers", 4th Floor, 14, R.N.T. Marg, INDORE - 452 001 Madhya Pradesh.  
Phone : +91 731 271 9100; 271 9191 Fax : +91 731 270 4506; 404 2118.  
REGD. OFF. : "Mehta Chambers", 34, Siyaganj, INDORE - 452 007 Madhya Pradesh.  
Phone : +91 731 254 0963. E-mail : info@kritiindia.com. Website : http://www.kritiindia.com

August 25, 2014

To,  
The Secretary,  
Department of Corporate Services  
Bombay Stock Exchange Limited  
Floor 25, Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai-400 001

The Secretary,  
Madhya Pradesh Stock Exchange Limited  
201, Palika Plaza- II  
MTH Compound,  
Indore (M.P.) - 452 001

## FORM A

*Format of covering letter of the annual audit report to be filed with stock exchange*

1.	Name of the Company	KRITI NUTRIENTS LIMITED
2.	Annual financial statement for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified/ <del>Matter of Emphasis</del>
4.	Frequency of Observation	<del>Whether appeared first time/repetitive/since how long period</del> Not Applicable
5.	Signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company.</li><li>• Audit Committee Chairman</li></ul>	

For: KRITI NUTRIENTS LIMITED

Shiv Singh Mehta  
Managing Director

Manoj Fadnis  
Chairman Audit Committee

S. C. Jajoo  
Chief Financial Officer

Refer Our Audit Report Dated 29<sup>th</sup> May, 2014

For: R.S. Bansal & Company  
Chartered Accountants (FRN: 000939C)

Vijay Bansal M. No. 075344

Kriti Nutrients Limited  
CIN:L24132MP1996PLC011245  
Registered Office: Mehta Chambers,  
34, Siyaganj, INDORE-452007



KRITI NUTRIENTS LIMITED  
18<sup>th</sup> ANNUAL REPORT 2013-2014

D

WISDOM  
FOCUS LOYALTY  
DEDICATION FOCUS  
DETERMINATION ALERTNESS  
CREATIVITY HUMILITY  
WISDOM ATTITUDE  
HARD WORK PASSION ENDURANCE  
FOCUS PERSUASIVE COURAGE  
ATTITUDE PERSEVERANCE  
SELF-CONFIDENCE FOCUS LOYALTY  
ENDURANCE COMMITMENT  
DEDICATION FOCUS LOYALTY  
CREATIVITY FOCUS DILIGENCE  
PERSEVERANCE HARD WORK  
ENDURANCE WISDOM  
LOYALTY FOCUS PASSION  
DILIGENCE ATTITUDE  
FOCUS

RIGHT.

**Board of Directors**

1. Shri Shiv Singh Mehta - Managing Director
2. Shri Saurabh Singh Mehta - Executive Director
3. Smt. Purnima Mehta - Director
4. CA Manoj Fadnis - Director
5. Shri Rakesh Kalra - Director
6. Dr. Somnath Ghosh - Director

**Auditors**

R. S. Bansal & Co.

Chartered Accountants

Urvashi 1st Floor, 3 Jaora Compound,  
Indore - 452001 (M.P.)

**Bankers**

State Bank of India

State Bank of Travancore

IDBI Ltd.

The Cosmos-Co-Operative Bank Limited

**Company Secretary**

Sumit Jaitely

**Registered Office**

Mehta Chambers, 34, Siyaganj, Indore - 452007 (M.P.)

**Corporate Support Center**

Chetak Chambers, 4th Floor, 14 RNT Marg,  
Indore - 452001 (M.P.)

**Share Transfer Agent**

M/s Ankit Consultancy Pvt Ltd.

60, Electronics Complex,

Pardeshipura,

Indore - 452010 (M.P.)



## NOTICE

**NOTICE IS HEREBY GIVEN** that the **18<sup>th</sup> Annual General Meeting** of the Members of **KRITI NUTRIENTS LIMITED** will be held on **Thursday the 25<sup>th</sup> day of September, 2014 at 4:30 P.M.** at Corporate Support Center of the company situated at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore (M.P.) - 452001 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Accounts together with Directors Report as also the Auditors Report thereon for the year ended **March 31<sup>st</sup>, 2014.**
2. To declare dividend on the equity shares for the Financial Year ended on **31<sup>st</sup> March, 2014.**
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s R. S. Bansal and Company, Chartered Accountants, (Firm Registration Number (000939C) the retiring Auditors of the company (subject to peer review by the ICAI) be and are hereby re-appointed as Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting till the conclusion of Twentieth Annual General Meeting of the company to be held in the year 2016 (subject to ratification of their appointment at every AGM) on such remuneration as may be fixed by the Board.

### SPECIAL BUSINESS

4. **Appointment of CA Manoj Fadnis as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as may be amended from time to time and Clause 49 of the Listing Agreement, CA Manoj Fadnis (DIN 01087055), a non executive Independent Director of the Company, who was appointed as director liable to retire by rotation (under the erstwhile applicable provisions of the Companies Act, 1956) and has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to 31st March, 2019"

5. **Appointment of Dr. Somnath Ghosh as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as may be amended from time to time and Clause 49 of the Listing Agreement, Dr. Somnath Ghosh (DIN 00401253), a non executive Independent Director of the Company, who was appointed as director liable to retire by rotation and who retires by rotation at this Annual General Meeting (under the erstwhile applicable provisions of the Companies Act, 1956) and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for two consecutive years for a term up to 31st March, 2016"

6. **Appointment of Mr. Rakesh Kalra as an Independent Director of the Company**

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



**“RESOLVED THAT** pursuant to provisions of sections 169, 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as may be amended from time to time and Clause 49 of the Listing Agreement, Mr. Rakesh Kalra ( DIN 00780354), who was appointed as an Additional Director of the company and in respect of whom the company has received a notice in writing form a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term up to 31st March, 2019.”

**7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution**

**“RESOLVED THAT** in suppression of the ordinary resolution adopted at the Extra Ordinary General Meeting held on September 25th, 2009 and pursuant to section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company, provided however that the total amount so borrowed and remaining outstanding at any point of time, shall not exceed Rs. 200.00 crores (Rupees Two Hundred Crores Only).

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

**“RESOLVED THAT** consent of the Company be and is hereby accorded in terms of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, if any, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to the Board of Directors of the Company (hereinafter referred to as “the Board”) to mortgaging and/hypothecation, pledge or charging by the Board of directors of the Company of all or any of the immovable and movable properties of the Company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company in such form and in such manner as the Board of directors may think fit for securing any loans and/or advances already obtained or that may be obtained time to time from any financial Institutions/banks/insurance companies, bodies corporate, firms or association or person or persons, and/or to secure any debentures issued, deposits and/or that may be issued and all interest, compounding interest/additional interest, commitment charge, cost, charges, expenses and all other moneys payable by the Company to the concerned secured lenders within the overall borrowing limit as per the special resolution passed by the members as per provisions of section 180(1)(c) of the Companies Act, 2013 as may be applicable from time to time.

**RESOLVED FURTHER THAT** the securities created or to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the Company as may be agreed to between the Board of Directors of the Company and the concerned parties.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized create or revise / renew the securities / or release the securities and to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

**Place: Indore**

**Date: 13<sup>th</sup> August, 2014**

**Kriti Nutrients Limited**

**CIN L24132MP1996PLC011245**

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

**By order of the Board**

**Sumit Jaitely**

**Company Secretary**



### Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.**
2. The Company has notified closure of Register of Members and Share Transfer Books from Friday 19th September 2014 to Thursday 25th September, 2014 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
- (a) The Dividend on equity shares if declared at the meeting will be credited/dispatched between 25th September to 30th September, 2014. To those members whose names shall appear on the Company's Register of Members on 18th September, 2014 in respect of the shares held in demat form, the dividend will be paid to those members, whose names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates; such changes are to be advised only to the depository participant of the members.
4. The shareholders are requested to opt for ECS facility.  
For shares held in physical form he/she may send the duly filled ECS MANDATE FORM annexed to the last page of the Annual report by enclosing a blank cancelled cheque for the purpose of noting the MICR details to Ankit Consultancy Private Limited, 60 Electronic Complex, Pardeshipura, Indore - 452010  
In case the investor is holding the shares in dematerialized form, such investor may please contact his/her Depository Participant for recording the ECS mandate.  
The ECS mandate details provided by an investor will be used for payments in respect of shares held by such investor.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the company.
6. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
7. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
8. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
9. Electronic copy of the Annual Report 2014 is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same. For members who have not registered their e mail address, physical copies of the Annual Report 2014 is being sent in the permitted mode. The process and manner of e-voting along with Attendance slip and proxy form is being sent to the members.
10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-SH3 prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Ministry of Corporate Affairs.





11. The company has designed an exclusive email ID [investorrelations@kritiindia.com](mailto:investorrelations@kritiindia.com) which would enable the members to post their grievances. Any members having any grievance may post the same to the said Email for its quick redress.
12. Brief resume of directors those proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorship, shareholding and relationship between directors inter-se stipulated under Clause 49 of the Listing Agreement with the stock exchanges, or provided here under:
13. In compliance with the provisions of section 108 of the Act and Rules framed there under, the Members are provided with the facility to casts their vote electronically, through the e – voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Company/Depositories):
  - i. Open the email and also open PDF file. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
  - iii. Click on Shareholder – Login
  - iv. Please enter the User Id and Password as initial password / PIN noted in step(i) above. Click Login
  - v. The password change menu will appear on your screen. Change to new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.  
Please take utmost care to keep your password confidential.
  - vi. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  - vii. Select “EVEN” (E-voting Event Number) of Kriti Nutrients Limited.
  - viii. Cast your vote by selecting appropriate option and click on “submit” and also confirm when Prompted
  - ix. Now you are ready for e-voting as Cast Vote page opens.
  - x. Upon confirmation, the message “Vote Cast Successfully” will be displayed.
  - xi. Once the vote on the resolution is cast, the members will not be allowed to change it subsequently.
  - xii. Institutional shareholders (i.e other than individuals, HUF, NRI etc) are required to send scanned copy of the relevant Board Resolution/Authority letter, etc together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to [kriti.scrutinizer@gmail.com](mailto:kriti.scrutinizer@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - xiii. In case of any queries, you may refer the Frequently asked questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- B. In case a member receives physical copy of the Notice of AGM (for members whose email addresses are not registered with the company/Depositories):
  - i. Initial password is provided in the enclosed form: EVEN (E-Voting Event Number), user ID and password.
  - ii. Please follow all steps from Si. No. (ii) to Si. No. (xiii) above, to cast vote
- C. Other Instructions:
  - i. The e-voting period commences on Friday, September 19, 2014 (9:00 AM IST) and ends on Monday, September, 21, 2014 (6:00 PM IST)
  - ii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company and the members shall be entitled for voting whose names appear in the details of beneficiaries as may be provided at the cutoff date 14th August, 2014.
  - iii. Dr. D.K. Jain, Practicing Company Secretary (Membership No. FCS 3565), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - iv. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-



voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

- v. The result declared along with scrutinizer's report shall be placed on the Company's website [www.kritiindia.com](http://www.kritiindia.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of resolutions at the Twenty Fourth AGM of the company on September 25, 2014 and communicated to the Stock Exchanges, where the shares of the company are listed
- vi. 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

## **Explanatory Statement Pursuant To Section 102 Of The Companies Act, 2013**

The following Explanatory Statement sets out all material facts relating to the Business mentioned at Item No. 4 to 8 of the accompanying Notice:

### **Item No. 4 & 5**

CA Manoj Fadnis & Dr. Somnath Ghosh are non executive directors of the company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act and clause 49 of the listing agreement and are not disqualified from being appointed as a director in terms of section 164 of the Act and has given his consent to act as director.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under and clause 49 of the listing agreement for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, CA Manoj Fadnis is proposed to be appointed for a term of 5 years and Dr. Somnath Ghosh is proposed to be appointed for a term of 2 years and they shall not be include in the total number of directors for retire by rotation.

The company has received notice in writing from members along with the deposit of requisite amount under section 160 of the Act, proposing the candidature of CA Manoj Fadnis & Dr. Somnath Ghosh.

Copy of the draft letter for appointment of them as an independent director setting out terms and conditions is available for inspection by the members at the Registered Office of the Company.

Save and except the above said appointee in respective resolutions, and their relatives to the extent of shareholding interest if any, in the company, none of the Directors / Key Managerial Personnel of the company and their relatives are in any way concerned or interested, financial or otherwise, in the resolutions set out at item No. 4 & 5, except to the extent of sitting fee for attending the Board and other meetings from time to time payable to them.

The Board commends the ordinary resolution as set out in Item No. 4 & 5 of the notice for approval.

### **Item No. 6**

At the meeting of the Board of Directors held on January 27 2014, Mr. Rakesh Kalra was appointed as an Additional Director of the company and holds the office upto the date of ensuing Annual General meeting in terms of section 161 of the Companies Act, 2013

The company has received notice in writing from members along with the deposit of requisite amount under section 160 of the Act, proposing the candidature of Mr. Rakesh Kalra.

Mr. Rakesh Kalra, has given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of the Act and Clause 49 of the listing agreement and is not disqualified from being appointed as a director in terms of section 164 of the Act and has given his consent to act as director.

In the opinion of the Board, Mr. Rakesh Kalra fulfill the conditions specified in the Act and the Rules framed there under and clause 49 of the listing agreement for appointment as Independent Director and they are





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

Copy of the draft letter for appointment of him as an independent director setting out terms and conditions is available for inspection by the members at the Registered Office of the Company.

Save and except the above said appointee in respective resolutions, and their relatives to the extent of shareholding interest if any, in the company, none of the Directors / Key Managerial Personnel of the company and their relatives are in any way concerned or interested, financial or otherwise, in the resolutions set out at item No.6, except to the extent of sitting fee for attending the Board and other meetings from time to time payable to them.

The Board commends the ordinary resolution as set out in Item No. 6 of the notice for approval.

#### **Item No. 7**

The members of the company at their Extra Ordinary General Meeting held on September 25th, 2009 approved by way of an ordinary resolution under section 293 (1) (d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and its free reserve provided that the amount of such borrowings together with the amounts already borrowed and outstanding at any particular time shall not exceed Rs. 200 crores (Rupees Five Hundred Crores Only)

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of special resolution.

It is therefore necessary that the members pass a special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013 as set out in item No. 7 of the notice, to enable to the Board of Director to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company. Approval of members is being sought to borrow money in excess of the aggregate paid up share capital and free reserves of the company, provided however that the total amount so borrowed and remaining outstanding at any point of time, shall not exceed Rs. 200 crores (Rupees Two Hundred Crores Only)

None of the Directors / Key Managerial Personnel of the company and their relatives are in any way concerned or interested, financial or otherwise, in the resolutions set out at item No. 7.

The Board commends the special resolution as set out in Item No. 7 of the notice for approval.

#### **Item No : 8**

Section 180(1)(a) of the Companies Act, 2013 provides that the Board of directors of Company shall not, without the approval of shareholders in general meeting by way of special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company has earlier passed ordinary resolution as per provisions of section 293(1)(a) of the Companies Act, 1956, and now it is required to pass a special resolution.

As the assistance from the institutions/banks provided/agreed to be provided to the Company have to be secured by the mortgage and charge of the assets of the Company, both present and future and the whole of the undertaking of the Company and the aforesaid institutions would like to retain a power to take over the management of the business and concern of the Company in certain events, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013.

Hence, the members are required to authorize to the Board to create/renew charges on the movable and immovable assets and properties of the Company in favor of the lenders in accordance with the terms and conditions of the Loans and security documents as stated in the Resolution of item No. 9.

The Board accordingly recommends the Special Resolution at item no. 9 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholder.


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

Particulars	CA Manoj Fadnis	Mr. Rakesh Kalra	Dr. Somnath Ghosh
Date of Birth	16.07.1962	11.09.1949	31.05.1953
Date of Appointment	24.06.2006	24.06.2006	03.03.2009
Expertise in specific area	Company Law, Taxation and Accounting	Mechanical Engineering/Business Strategy/ Leadership Training	Human Resource Management, Organisational Design and Institutional Development
Qualification	FCA	B.E.	M.A., M.Phil, Ph.D
List of Outside Directorship held	Kriti Industries (India) Limited Kriti Auto & Engineering Plastics Private Limited Madhya Pradesh Stock Exchange Limited Extensible Business Reporting Language (XBRL) INDIA	Tara Jewels Limited Foton Motors Marketing and Sales India Private Limited Foton Motors Manufacturing India Private Limited Kriti Industries (India) Limited Minda Automotive Solutions Limited	Kriti Industries (India) Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Audit Committee Member: Financial Committee Member: Remuneration Committee	Member: Audit Committee Member: Remuneration Committee	Member: Remuneration Committee Member: Investor Grievances Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director			
(a) Audit Committee	Kriti Industries (India) Limited	None	None
(b) Investors' Grievance Committee	None	None	Kriti Industries (India) Limited
(C) Remuneration Committee	Kriti Industries (India) Limited	None	Kriti Industries (India) Limited
No. & Percentage of Shares held	Nil	Nil	Nil



## DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report together with Audited Accounts of the Company for the period ended on 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

The performance of the Company for the Year 2013-14 is summarized below:

(₹ in lacs)

PARTICULARS	2013-14	2012-13
Total Income	28989.37	46786.25
Profit/(Loss) before Interest, Depreciation & Taxes	1301.65	1120.1
Less: Interest	485.87	645.53
<b>Profit before depreciation</b>	<b>815.78</b>	<b>474.57</b>
Less: Depreciation	257.09	264.10
Profit/ (Loss) Before Tax	558.69	210.47
Provision for Taxation	202.24	105.28
<b>Net Profit/(loss)</b>	<b>356.45</b>	<b>105.19</b>
Add: Balance Brought Forward	564.75	544.72
Profit available for Appropriation	921.20	649.91
Proposed Dividend	50.10	30.06
Corporate Dividend Tax	8.52	5.10
Transferred to General Reserve	50.00	50.00
<b>Balance Carried over to Balance Sheet</b>	<b>812.58</b>	<b>564.75</b>

### YEAR IN RETROSPECT

The Company has achieved a total turnover of Rs. 28989.37 lacs including exports of Rs. 4355.13 lacs and Profit before Tax of Rs. 558.69 and Profit after Tax of Rs. 356.45 lacs. Due to extended rains, the soya bean crop was badly damaged and availability of seed was adversely affected. There had been disparity in soya bean seed prices and realization of protein meal in overseas market. This had resulted in mismatch in the crushing margins between meal, oil and seed.

### DIVIDEND

Your directors are pleased to recommend a dividend of Rs. 0.10 (10%) for the financial year 2013-2014 on 50103520 Equity Shares of Rs. 1/- each aggregating to Rs. 50.10 lacs. (Previous year Rs. 0.06 (6%) for the year ended 31<sup>st</sup> March, 2013 on 50103520 equity shares of Rs. 1/- each aggregating to Rs. 30.06 Lacs)

### CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions on Corporate Governance as prescribed in the Clause 49 of Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with the Auditors' Certificate on its compliance.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:-

1. In the preparation of Annual Accounts for the financial year 2013-14, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of the year ended 31st March, 2014 and of the Statement of Profit and Loss of the Company for that period.



3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the period ended 31st March, 2014 on a going concern basis.

## **DIRECTORS**

Dr. Somnath Ghosh (DIN 00401253) retires by rotation at the 18<sup>th</sup> Annual General Meeting and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Further that CA Manoj Fadnis (DIN 01087055), and Mr. Rakesh Kalra (DIN 00780354) the existing independent director are further proposed to be appointed as Independent Directors for a term of 5 years and Dr. Somnath Ghosh (DIN 00401253) is further proposed to be appointed as Independent Directors for a term of 2 years as per requirement of section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement to hold the office till 31st March, 2019 and 31st March, 2016 respectively.

## **AUDITORS AND AUDITOR REPORT**

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s R.S. Bansal & Co., Chartered Accountants (ICAI Firm Registration No. 000939C), the retiring Auditors of the Company as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twentieth Annual General Meeting of the Company to be held in the year 2016 (subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee. The notes on Financial Statements referred to in the Auditors Report are self explanatory and do not call for any further comments.

## **COST AUDITOR**

Mr. S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) was appointed as Cost Auditor for the Financial Year 2013-14. However, due to change in Rules and Regulation of Cost Audit, the company is outside the purview of applicability of Cost Audit in the Financial Year 2014-15. The Company is in process to file the Cost Audit Report to the Central Government within the stipulated time.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your directors have constituted the Corporate Social Responsibility Committee (CSR Committee), comprising of Smt. Purnima Mehta as the Chairman, Shri Saurabh Singh Mehta and Shri Somnath Ghosh as members of the Committee as per requirement of the section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the frame work of the CSR Policy and recommending the amount to be spent on CSR activities.

## **STATUTORY INFORMATION:**

### **PUBLIC DEPOSIT**

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

### **PARTICULARS OF EMPLOYEES**

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

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

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

## **INDUSTRIAL RELATIONS**

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

**ACKNOWLEDGMENT**

We thank our banks, investors, clients, distributors, vendors and other business associates for their continued support towards conduct of efficient operations of the company throughout the year.

We take this opportunity to appreciate the contribution made by our employees at all levels for their dedicated service made towards the growth of the Company. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

**ANNEXURE**

Information as per Section 217(1) (e) read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

**A. CONSERVATION OF ENERGY**

(a) Energy Conservation measures taken:

(1) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.

(2) New systems are being devised to reduce electric power, fuel, and water consumption.

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

By relocating, modifying the available equipment, energy, conservation measures are being implemented on continuous Basis.

(c) Impact of above measures:

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

(d) Total energy consumption and energy consumption per unit of production:

As per Form "A" Annexed.

**A. POWER AND FUEL CONSUMPTION**

	12 Months period ended March, 2014	12 Months period ended March, 2013
1. Electricity		
a) Purchased Units	4187275	6621729
Total Amount (in Rs.)	30646652	45694642
Rate/Unit (Average Rs.)	7.32	6.90
b) Own Generation		
i) Units	85157	95204
Units per ltr. of Diesel Oil (Rs.)	2.76	2.82
Cost per unit (Rs.)	22.62	18.90
ii) Through Steam Turbine/Generator Unit/Unit per ltr. of Diesel oil Cost/Unit	0	0
2. Coal (specify quality & where used) RDM/Steam B Grade used in Boiler		
Quantity (Tones)	7248	11500
Total Cost (Rs.)	38251622	65771245
<b>Average Rate (Rs.)</b>	<b>5277.52</b>	<b>5719.24</b>



## B. CONSUMPTION PER UNIT OF PRODUCTION

	Extraction		Refinery		Lecithin	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Electricity (Units per ton)	42.98	40.50	66.91	61.52	111.24	112.67
Coal (Specify quality) (Kg. per ton)	58.12	71.79	178.47	152.55	373.31	345.81

### (B) TECHNOLOGY ABSORPTION

#### (a) Research and Development (R & D)

1. Specific areas in which R & D carried out: Company has carried out R & D in process development and improvement in existing processes to improve the quality of products, reduction in energy and effluents.
2. Benefits derived as result of R & D: Improvements in processes has helped company in reducing the energy consumptions of some products. This has helped in giving good and consistent quality products in market.
3. Future plan of action: Company will continue to pursue R & D in developments of new processes and new value added products.
4. Expenditure on R & D: Expenditure incurred on R & D are charged under primary heads of accounts and not separately allocated.

#### (b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation:  
The company has through R & D developed processes adopted which helped in reducing the energy consumption.
2. Benefits derived as result of the above efforts: Improvement in processes, reduction of cost and product development

## C. FOREIGN EXCHANGE EARNING & OUTGO

(₹ in lacs)

	12 Months period ended March, 2014	12 Months period ended March, 2013
1. Earning		
FOB value of Exports	4355.13	7606.7
2. Outgoing		
a) CIF Value of Imports	18.03	44.48
b) Expenditure in Foreign Currency	22.89	14.57

Place: Indore

Date: 13<sup>th</sup> August, 2014

Kriti Nutrients Limited

CIN L24132MP1996PLC011245

Regd. Office: Mehta Chamber, 34 Siyagunj,  
Indore

By order of the Board

Shiv Singh Mehta

Managing Director

DIN 00023523





## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Kriti Nutrients 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 term 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 Clause 49 of the Listing Agreement of the Stock Exchange. The details of compliance are as follows:

### I. BOARD OF DIRECTORS

#### Composition of Board

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The Board consists of six (6) directors, out of which four (4) are non-executive directors; out of the four (4) non-executive directors three (3) are independent.

#### Director Liable to retire by rotation and seeking Re-appointment.

Dr. Somnath Ghosh is the director liable to retire by rotation and being eligible offer herself for re-appointment.

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

Name of the Director	Dr. Somnath Ghosh
Date of Birth	31.05.1953
Date of Appointment	03.03.2009
Expertise in specific area	Human Resource Management, Organisational Design and Institutional Development
Qualification	M.A., M.Phil, Ph.D
List of Outside Directorship held	Kriti Industries (India) Limited
Chairman/ Member of the committees	Member: Remuneration Committee
of the Board of Directors of the Company	Member: Investor Grievances Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director	
(a) Audit Committee	None
(b) Investors' Grievance Committee	Kriti Industries (India) Limited
(c) Remuneration Committee	Kriti Industries (India) Limited
No & Percentage of Shares held	Nil

The composition of the Board of directors and the number of Board Committee in which they are chairman/ member as on 31.03.2014 are as under:



Name	Category	No. of Directorship in other Public Ltd. Companies	No. of Committee position held in other Public Ltd. Companies	
			Chairman	Member
Shri Shiv Singh Mehta	Promoter & MD	Two	One	Three
Shri Saurabh Singh Mehta	Executive Director	Nil	Nil	Nil
Smt. Purnima Mehta	Promoter & Non-Executive Director	One	Nil	One
Shri Manoj Fadnis	Independent & Non-Executive Director	Two	One	Three
Dr. Somnath Ghosh	Independent & Non-Executive Director	One	One	One
Shri Rakesh Kalra	Independent & Non-Executive Director	Three	Two	Two

### Board Procedure

During the year under review, four(4) meetings of the Board of directors were held. The dates of the meetings were decided in advance and key information was placed before the Board. The Board of Directors meetings were held on 04th May 2013, 26th July 2013, 12th November 2013 and 27th January 2014.

### Attendance record of Directors

The names and categories of the Directors on the Board, their record of attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorship and membership of Committees held by them in other public limited companies as on 31st March, 2014 are:

	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 14 <sup>th</sup> September , 2013
Shri Shiv Singh Mehta	4	4	Yes
Shri Saurabh Singh Mehta	4	4	Yes
Smt. Purnima Mehta	4	4	Yes
Shri Manoj Fadnis	4	4	Yes
Shri Prakash M. Pethe*	4	1	No
Dr. Somnath Gosh	4	2	No
Shri Rakesh Kalra**	4	1	No

\*Stepped Down – 14th September, 2013, \*\*Appointed – 27th January, 2014

## II. BOARD COMMITTEES

### II. 1 AUDIT COMMITTEE

#### A. Terms of reference

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

**B. Constitution and Composition**

The terms of reference of the audit committee are extensive and include all that is mandated in clause 49 of the Listing Agreement with the Stock Exchange and Section 149 of the Companies Act, 2013. The Company has complied with the requirements of clause 49(II)(A) of the Listing Agreements as regards composition of the Audit Committee. The Audit Committee of the Company as on 31st March, 2014 comprises of the following Directors of the Company.

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

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

**C. Meeting and attendance during the year**

Four(4) meetings were held during the financial year 2013-14 on 04th May 2013, 26th July 2013, 12th November 2013 and 27th January 2014. The attendance of each member of the committee is as under:

Name of the Director	Designation
Shri Manoj Fadnis	4
Smt. Purnima Mehta	4
Shri Prakash Pethe	1

**II.2 NOMINATION & REMUNERATION COMMITTEE****REMUNERATION OF DIRECTORS****A. Terms of reference**

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

**B. Constitution and Composition**

The Remuneration Committee of the Company as on 31st March, 2014 comprises of the following Directors of the Company.

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

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

**Remuneration to Managing Director and Executive Director**

Shri Shiv Singh Mehta, Managing Director of the Company was appointed without any remuneration; hence no remuneration was paid to him by the Company. The terms of remuneration of Shri Saurabh Singh Mehta, Executive Director has already been fixed by the Board of directors and was approved by the shareholders at ensuring Annual General Meeting. During the financial year 2013-14, the particulars of remuneration paid to Whole-time Director is as under:

Name of the Director	Salary (Rs.)	Perquisites	Commission	Period of Contract
Shri Saurabh Singh Mehta	13.44	5.38	5.77	3 Years starting from
				1st August, 2013



### Remuneration of Non- Executive Directors

The details of remuneration paid to the Non-Executive Directors during the financial year 2013-14 are given below. Non-Executive Directors are not entitled for any remuneration other than the sitting fees.

S. No.	Name of the Non-Executive Director	Sitting Fees (Rs.)
1	Shri Manoj Fadnis	8000
2	Dr. Somnath Ghosh	2000
3	Shri Prakash M. Pethe	2000
4	Smt. Purnima Mehta	8000

### II.3 INVESTORS' GRIEVANCE COMMITTEE

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

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

There were no extra Ordinary General Meeting as well as no resolution was passed by way of Postal Ballot during the year 2013-14.

### II.4 CSR COMMITTEE

Directors have constituted the Corporate Social Responsibility Committee (CSR Committee), comprising of Smt. Purnima Mehta as the Chairman, Shri Saurabh Singh Mehta and Shri Somnath Ghosh as members of the Committee as per requirement of the section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

### III. DISCLOSURES

#### A. Disclosure regarding materially significant related party transactions:

None of the transaction with any of the related parties were in conflict with the interest of the company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 3.16 of Notes on Accounts, forming part of the Annual report.

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

#### B. Disclosure of non-compliance by the Company:

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

### IV. COMMUNICATION TO SHAREHOLDERS

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

**V. INFORMATION ON GENERAL BODY MEETINGS**

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

Year	Location	Date	Time
2012-2013	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	14TH September, 2013	05:00 P.M.
2011-2012	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	22nd September, 2012	4:30 P.M.
2010-2011	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	24th September, 2011	4:00P.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.

**VI. CODE OF CONDUCT**

The Company has adopted a Code of Conduct for Board of directors and Senior Management. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2014. A declaration to this effect signed by the Managing Director forms part of this Report.

As required by SEBI Regulations, the Company has adopted a code for the Prevention of Insider Trading.

Code is applicable to the directors and employees of the Company and its subsidiaries and their dependent family members.

**VII. WHISTLE BLOWER/VIGIL MECHANISM POLICY**

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

**Compliance by the Company**

There has not been any non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**VIII. GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

The 18th Annual General Meeting of the Company will be held on Thursday, the 25th September, 2014 at 4:30 P.M. at Corporate Support Center of the company situated at "Chetak Chambers" 4th Floor, 14 R.N.T. Marg, Indore.

**Financial Calendar for the year 2014-15 (Provisional)**

a.	Un-Audited Results for the first quarter ending 30th June, 2014	On or Before 14th August, 2014
b.	Un-Audited Results for the second quarter ending 30th September, 2014	On or Before 14th November, 2014
c.	Un-Audited Results for the Third quarter ending 31st December, 2014	On or Before 14th February, 2015
d.	Audited Results (Audited) for the fourth quarter ending 31st March, 2015	On or Before 30th May, 2015
e.	Annual General Meeting for the year ending March, 2015	Before end of September, 2015



### Book Closure Dates

The Company's Share Transfer Book will remain closed from Friday 18th September, 2014 to Thursday 25th September, 2014 (both days inclusive) for purpose of Annual General Meeting.

**Cutoff date for E-voting : 14th August, 2014**

### Listing on Stock Exchange

The Company's shares are traded on BSE and MPSE. The Company's shares are presently listed on the Bombay Stock Exchange Limited & and Madhya Pradesh Stock Exchange Limited, Madhya Pradesh. The Company has paid annual listing fee for the year 2014-15.

### Stock Code/ Details of Scrip

BSE	: 533210
NSDL & CDSL-ISIN	: INE798K01010
Posting/ mailing of Annual Report	: Before 1st Sept., 2014
Last date for receipt of Proxy	: 23rd Sept., 2014
Dividend	: The Board of directors of the Company recommended dividend of Rs. 0.10 (10%) per equity share of Rs. 1/- each for the financial year ended March 31, 2014, which would be paid subject to approval by the members in the ensuing Annual General Meeting (AGM). The proposed dividend will absorb Rs. 50.10 lacs including Dividend Distribution Tax of Rs. 12.07 lacs.
Compliance Officer	: CS Sumit Jaitely
Scrutinizer for E-voting	: CS (Dr.) D.K. Jain
ISIN NO	: INE798K01010

### Market Price Data (Rs.)

The monthly high and low quotations of shares of the Company traded at the Stock Exchange, Mumbai during the financial year 2013-14 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2013	5.33	3.13
May, 2013	--	--
June, 2013	3.41	3.25
July, 2013	3.09	2.70
August, 2013	2.65	2.55
September, 2013	3.36	2.50
October, 2013	3.04	2.80
November, 2013	4.03	2.89
December, 2013	3.44	2.20
January, 2014	3.10	2.11
February, 2014	4.09	3.20
March, 2014	3.51	2.60



**Share Transfer System**

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

**Ankit Consultancy Pvt. Limited**

Plot No. 60, Electronic Complex, Pardeshipura, Indore-452 010 (M.P), Tel: 0731-2551745, 0731-2251746

E-mail: ankit\_4321@yahoo.com

**Shareholding Pattern & Distribution of Shareholding****Shareholding Pattern as on 31.03.2014**

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's holding		
1. Promoters		
a. Indian Promoters	33096878	66.06
b. Foreign Promoters	0.00	0.00
2. Persons acting in concert		
Sub-Total	33096878	66.06
B. Non-Promoter's holding		
3. Institutional Investors		
a. Financial Institution and Banks	1600	0.00
b. FIIs	0.00	0.00
Sub-Total	1600	0.00
4. Others		
a. Corporate Bodies	2059700	4.11
b. Indian Public	14768708	29.48
c. NRIs/OCBs	164534	0.33
d. Any Other (Clearing Member)	12100	0.02
Sub-Total	17006642	33.94
<b>GRAND TOTAL</b>	<b>50103520</b>	<b>100</b>

**Distribution of Shareholding as on 31st March, 2014**

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	3838	66.36
1001-2000	1023	17.69
2001-3000	283	4.89
3001-4000	327	5.65
4001-5000	45	0.78
5001-10000	131	2.26



No. of Shares	No. of Shareholders	% of Shareholders
10001-20000	58	1.00
20001-30000	19	0.33
30001-40000	20	0.35
40001-50000	5	0.09
50001-100000	15	0.26
100000 Above	20	0.35

### Dematerialisation of Shares & Liquidity

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

### Details of Demat Shares as on 31st March 2014

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2113	41931725	83.69
CDSL	1128	4829315	9.64
<b>Sub-Total</b>	<b>3241</b>	<b>46761040</b>	<b>93.33</b>
Shares in physical form	2543	3342480	6.67
<b>Grand Total</b>	<b>5784</b>	<b>50103520</b>	<b>100.00</b>

### Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

### Plant locations of the Company

Industrial Area No. 3, Dewas (M.P)

### Address for communication

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

### Ankit Consultancy Pvt. Limited

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

Tel: 0731-2551745, 0731-2251746, E-mail: ankit\_4321@yahoo.com

### Auditors' Certificate on Corporate Governance

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



## MD / CEO CERTIFICATION

To,  
The Board of Directors,  
Kriti Nutrients Limited

Dear Sirs,

We have reviewed the Financial Statement read with the cash flow statement of Kriti Industries (India) Ltd. for the year 31st March, 2014 and that to the best of their knowledge and belief:

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

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

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

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

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

**For, Kriti Nutrients Limited**

**Shiv Singh Mehta**

**Managing Director , DIN 00023523**

## AUDITORS' REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Shareholders of Kriti Nutrients Limited

We have examined the compliance of the conditions of Corporate Governance by Kriti Nutrients Limited, Indore for the period ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

**For: R. S Bansal and Company**

**Chartered Accountants**

**VIJAY BANSAL**

**Partner, Membership No. : 075344**

**Indore, 13th August, 2014**



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
Kriti Nutrients Limited  
34, Siyaganj, Indore (M.P.)

### Report on the Financial Statements:

We have audited the accompanying financial statements of **KRITI NUTRIENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year ended **March 31, 2014**, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion:

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



- 2) As required under provisions of section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For: R. S. BANSAL & COMPANY**

**Chartered Accountants**

**Firm Reg. No. : 000939C**

**VIJAY BANSAL**

**Partner**

**Membership No. : 075344**

**Indore, 29th, May, 2014**

#### **ANNEXURES TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Kriti Nutrients Limited for the year ended on 31st March, 2014.

As required by the Companies Auditor's Report Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we further report that:

1. In respect of its fixed assets:
  - 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. The entire records have been maintained on computer system through SAP.
  - b. As informed to us, the management of the Company has physically verified fixed assets at reasonable intervals, 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 fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. In respect of its inventories:
  - a. The inventory of the Company has been physically verified during the year by the management at regular interval.
  - b. In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.



- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock.
3. In respect of loans secured or unsecured granted or taken by the company:

**(A) In respect of loan granted by the company:**

- a. As per information and explanation given to us, the Company has granted unsecured loans to parties covered under section 301. The details are as under:

Name	Maximum Amount (In Rs.)	Amount Outstanding (In Rs.)
Kriti Industries (I) Ltd. (A subsidiary of Holding Company)	5,74,93,572/-	NIL

- b. The Company has charged interest on such loans, as per information made available to us, the other terms and conditions are prima facie not prejudicial to the interest of the company.
- c. As per information and explanation given to us, receipt of principal and interest is as per the agreed terms.
- d. As explained and informed to us, no amount is overdue as at the end of the year.

**(B) In respect of loan taken by the company:**

- a. According to the information and explanation given to us, the Company has obtained unsecured loans from parties covered under section 301.

The details are as under:

Name	Maximum Amount (In Rs.)	Amount Outstanding (In Rs.)
Sakam Trading Pvt. Ltd. (Holding Company)	1,00,00,000/-	50,00,000/-
Kriti Industries (I) Ltd. (Subsidiary Company of Holding Company)	2,50,00,000/-	NIL/-
Chetak Builders Pvt. Ltd (Associate Company).	50,00,000/-	50,00,000/-

- b. The Company has paid interest on such loans, as per information made available to us, the other terms and conditions are prima facie not prejudicial to the interest of the company.
- c. As per information and explanation given to us, repayment of principal and interest is as per the agreed terms.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of the contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- a. The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- b. The transactions have been entered at reasonable prices having regard to the prevailing market price at the relevant time.
6. 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 58A, 58AA of Companies Act, 1956 and rules made there under.





7. As explained and informed to us, the Company has its own system for Internal Audit and the company works under SAP environment, which seems to be reasonable looking to the size and nature of its business.
8. 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 209(1) (d) of the Companies Act, 1956 in respect of the oil refining activities of the company to which said rules are made applicable 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 determined whether they are accurate or complete.
9. In respect of statutory dues :
  - a. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty & Cess Investor Education and Protection Fund, which are outstanding for a period of more than 6 months as at the last date of financial year from the date they became payable.
  - b. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty & cess which have not been deposited on account of any dispute, except the following.

S. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in Rs.)
1.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2004-05	21,55,460
2.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2005-06	81,41,497
3.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2005-06	8,95,411
4.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2006-07	8,70,630
5.	CENTRAL SALES TAX	M. P. HIGH COURT, JABALPUR	2006-07	1,14,25,030
6.	CENTRAL SALES TAX	APPELLATE BOARD, BHOPAL	2005-06	32,699
7.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2004-05	7,99,081
8.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2005-06	50,31,195
9.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2006-07	5,13,848
10.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2007-08	18,22,609
11.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2008-09	3,90,591
12.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2008-09	19,71,548

10. As informed and explained to us there is no accumulated cash losses of the Company. Further, the Company has not incurred any cash losses during the period covered by the report and immediately preceding the financial year.
11. Based on our audit and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any loan from Financial Institutions or Banks.
12. According to the information and explanation given to us, the Company has not given any loans and advances on the basis of security by way of Pledge of Shares, debentures and other securities.
13. Provision relating to any special statute applicable to chit fund is not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in share, securities, debentures and other investments.
15. According to the information and explanation given to us, the Company has not given any guarantee in respect of loan taken by others from any banks or financial institutions.



16. According to the information and explanations given to us, and based on documents provided to us, term loan availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained.
17. According to the information and explanations given to us, and based on documents provided to us, we are of the opinion that no short-term fund has been utilized for long term investment.
18. We are informed that, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Act.
19. According to the information and explanations given to us and records examined by us, the Company has not issued debentures and hence regarding creation of securities in respect of debentures issued does not arise.
20. The Company has not raised any money by public issue of shares during the period.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.

**FOR: R. S. BANSAL & COMPANY**

Chartered Accountants

Firm Reg. No.: 000939C

**VIJAY BANSAL**

Partner

Membership No.: 075344

Indore, 29th May, 2014



## KRITI NUTRIENTS LIMITED

### Balance Sheet as at 31<sup>st</sup> March, 2014

(₹ in lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
(a) Share Capital	2	501.04	501.04
(b) Reserves and Surplus	3	1661.49	1340.62
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	754.06	1214.36
(b) Deferred Tax Liabilities (Net)	5	493.70	444.36
(c) Other Long Term Liabilities	6	156.60	234.76
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	749.65	63.73
(b) Trade Payables	8	1482.70	2260.20
(c) Other Current Liabilities	9	521.22	605.51
(d) Short-Term Provisions	10	229.12	94.53
<b>Total</b>		<b>6549.58</b>	<b>6759.11</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	11	3388.75	3528.37
Intangible Assets	12	48.21	59.93
Capital Work-In-Progress		16.86	0.23
(b) Non-Current Investments	13	8.41	8.41
(c) Long Term Loans and Advances	14	63.06	69.33
<b>(2) Current Assets</b>			
(a) Inventories	15	1986.75	1830.77
(b) Trade Receivables	16	363.99	466.23
(c) Cash and Bank Balances	17	165.64	226.89
(d) Short-Term Loans and Advances	18	232.58	316.08
(e) Other Current Assets	19	275.33	252.87
<b>Total</b>		<b>6549.58</b>	<b>6759.11</b>

Significant Accounting Policies &amp; Notes to the Account 1

As per our Report of even date attached

**For : R.S.Bansal & Company**

Chartered Accountants, FRN: 000939C

**Vijay Bansal**

Partner, M.No. 075344

Indore, 29<sup>th</sup> May 2014

For and on behalf of the Board of Directors

**Shiv Singh Mehta**  
(Managing Director)**Purnima Mehta**  
(Director)**Sumit Jaitely**  
(Company Secretary)



# KRITI NUTRIENTS LIMITED

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014

(₹ in lacs)

Particulars	Note No.	2013-14	2012-13
<b>Revenue from Operations</b>	20	28897.12	46677.89
Less: Excise Duty		50.22	47.10
		28846.90	46630.79
Other Income	21	92.25	108.36
<b>Total Revenue</b>		<b>28939.15</b>	<b>46739.15</b>
<b>Expenses:</b>			
Cost of Materials Consumed		24915.45	42153.79
(Increase)/Decrease in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade		136.24	(718.48)
Employee Benefit Expense	22	496.32	479.46
Financial Costs	23	485.87	645.53
Depreciation and Amortization Expense	11-12	257.09	264.10
Other Expenses	24	2089.49	3704.28
<b>Total Expenses</b>		<b>28380.46</b>	<b>46528.68</b>
Profit Before Exceptional and Extraordinary Items and Tax		558.69	210.47
Exceptional Items		0.00	0.00
Profit Before Extraordinary Items and Tax		558.69	210.47
Extraordinary Items		0.00	0.00
<b>Profit Before Tax</b>		<b>558.69</b>	<b>210.47</b>
<b>Tax Expense:</b>			
Current Tax		173.10	42.11
MAT Credit		(20.20)	0.00
Deferred Tax		49.34	63.16
Profit/(Loss) for the period		356.45	105.19
<b>Profit/(Loss) for the period</b>		<b>356.45</b>	<b>105.19</b>
<b>Earning per Equity Share:</b>			
(1) Basic		0.71	0.21
(2) Diluted		0.71	0.21

### Significant Accounting Policies & Notes to the Account 1

As per our Report of even date attached

**For : R.S.Bansal & Company**

Chartered Accountants, FRN: 000939C

**Vijay Bansal**

Partner, M.No. 075344

Indore, 29<sup>th</sup> May 2014

For and on behalf of the Board of Directors

**Shiv Singh Mehta**  
(Managing Director)

**Purnima Mehta**  
(Director)

**Sumit Jaitely**  
(Company Secretary)

**KRITI NUTRIENTS LIMITED****NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.**

(₹ in lacs)

NOTE	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>2. SHARE CAPITAL</b>		
<b>2.1 AUTHORIZED</b>		
2.1.1 100000000 Equity Shares of Re. 1/- each	1000.00	1000.00
<b>2.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
2.2.1 50103520 equity shares of Rs 1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench. The company has issued only one class of shares referred to as equity shares having a par value of Rs.1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
<b>2.2.2 Reconciliation of shares</b>		
2.2.2.1 Opening Balance of 50103520 equity shares of Rs. 1/- each	501.04	501.04
2.2.2.2 Issued during the year NIL	0.00	0.00
2.2.2.3 Closing Balance 50103520 equity shares of Rs. 1/- each	501.04	501.04
<b>Total</b>	<b>501.04</b>	<b>501.04</b>
<b>2.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>2.3.1 SAKAM TRADING PRIVATE LIMITED (Holding Company)</b>		
<b>Current year :</b> No. of Shares: 26099473, % of Shares: 52.09%		
<b>Previous year :</b> No. of Shares: 26099473, % of Shares: 52.09%		
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 Service Pvt.Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd. and Shipra Pipe 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 Nutrients Ltd.		
<b>2.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
<b>Current Year:</b> No. of Shares: 4608158, % of Shares: 9.20%		
<b>Previous year :</b> No. of Shares: 4608158, % of Shares: 9.20%		
<b>3 RESERVES &amp; SURPLUS</b>		
<b>3.1 GENERAL RESERVE</b>		
3.1.1 Opening Balance	450.00	400.00
3.1.2 Add: Transfer from Statement of Profit & Loss	50.00	50.00
3.1.3 Closing Balance	500.00	450.00
<b>3.2 CAPITAL RESERVE (Arosen due to scheme of arrangement)</b>	295.56	295.56
<b>3.3 CONTINGENCY RESERVE (FREE RESERVE)</b>		
3.3.1 Opening Balance	25.00	25.00
3.3.2 Add: Transfer from Statement of Profit & Loss	0.00	0.00
3.3.3 Closing Balance	25.00	25.00



# KRITI NUTRIENTS LIMITED

## NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.

(₹ in lacs)

NOTE	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>3.4 EXCHANGE FLUCTUATION RESERVE</b> (Refer point no 2.9 (d) of Note No. 1)	<b>28.35</b>	<b>5.31</b>
<b>3.5 SURPLUS</b>		
3.5.1 Statement of Profit & Loss		
3.5.1.1 Opening Balance	564.75	544.73
3.5.1.2 Add Profit & Loss during the period	356.45	105.19
	<b>921.20</b>	<b>649.92</b>
<b>Less:</b>		
3.5.2 Proposed Dividend @ Rs.0.10 per share (Previous year Rs. 0.06 per share)	50.10	30.06
3.5.3 Corporate Dividend Tax	8.52	5.11
3.5.4 Transferred to General Reserve	50.00	50.00
Balance in Surplus	812.58	564.75
<b>Total</b>	<b>1661.49</b>	<b>1340.62</b>
<b>4 LONG TERM BORROWINGS</b>		
4.1 TERM LOAN		
4.1.1 SECURED		
4.1.1.1 From Banks		
a) IDBI Bank Ltd. (Repayable in 9 Qrtly installments of Rs.16 lacs each , Last installment due on 1st April 2014, Rate of Interest 14.75% p.a.at year end)	0.00	16.00
b) Sate Bank of Hyderabad (Repayable in 18 qtrly installments of Rs.36 lacs each , Last installment due on 31st December, 2014 Rate of Interest: 13.60% p. a. at year end)	0.00	113.72
c) COSMOS BANK (Repayable in 72 monthly installments of Rs.11.89 lacs each , Last installment due on 31st December, 2019 Rate of Interest: 13.00% p. a. at year end)	305.92	401.82
(Repayable in 54 monthly installments of Rs.25.84 lacs each , Last installment due on 31st January, 2017 Rate of Interest: 13.00% p.a.at year end) (Above loans are secured / to be secured by First charge/ Mortgage on fixed assets on pari passu basis of the company and personal guarantee of Managing Director and Executive Director)	448.14	682.82
<b>Total</b>	<b>754.06</b>	<b>1214.36</b>
<b>5 DEFERRED TAX LIABILITY (NET)</b>		
5.1 Deferred Tax Liability (Net)	493.70	444.36
<b>Total</b>	<b>493.70</b>	<b>444.36</b>



**KRITI NUTRIENTS LIMITED****NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.**

(₹ in lacs)

NOTE	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>6 OTHER LONG TERM LIABILITIES UNSECURED</b>		
6.1 Loans and advances from related parties	100.00	100.00
6.2 Other Long Term Liabilities ( Refer point no.3.9 of Note no.1 )	56.60	134.76
<b>Total</b>	<b>156.60</b>	<b>234.76</b>
<b>7 SHORT TERM BORROWINGS</b>		
7. 1 Loans repayable on Demand		
7.1.1 SECURED		
From banks	749.65	63.73
(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 and Executive Director)		
<b>Total</b>	<b>749.65</b>	<b>63.73</b>
<b>8 TRADE PAYABLES</b>		
8.1 Trade Payable	1482.70	2260.20
<b>Total</b>	<b>1482.70</b>	<b>2260.20</b>
<b>9 OTHER CURRENT LIABILITIES</b>		
9.1 Outstanding Expenses	46.50	20.96
9.2 Statutory Liabilities	11.61	22.71
9.3 Current maturities of Long term debt ( Refer point no.3.4 of Note no.1 )	457.01	556.88
9.4 Unpaid dividends	6.10	4.96
<b>Total</b>	<b>521.22</b>	<b>605.51</b>
<b>10 SHORT TERM PROVISIONS</b>		
10.1 Provision for Employees Benefits (Bonus)	17.59	17.25
10.2 Provision of Income Tax (Net of MAT Credit)	152.91	42.11
10.3 Proposed Dividend	50.10	30.06
10.4 Corporate Dividend Tax	8.52	5.11
<b>Total</b>	<b>229.12</b>	<b>94.53</b>



## KRITI NUTRIENTS LIMITED

### NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.

#### 11-12. FIXED ASSETS

(₹ in lacs)

S.No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Rate	1 <sup>st</sup> April 2013	Additions	Deduction	Total	1 <sup>st</sup> April 2013	For Year	Written Back	Total	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
11	TANGIBLE											
11.1	Land	0.00	53.59	0.00	0.00	53.59	0.00	0.00	0.00	0.00	53.59	53.59
11.1	Lease Hold Land	0.00	78.31	0.00	0.00	78.31	0.00	0.00	0.00	0.00	78.31	78.31
11.2	Factory Building	3.34	1044.48	41.46	0.00	1085.94	333.45	35.27	0.00	368.72	717.22	711.03
11.3	Plant & Machinery	5.28	4459.13	64.35 (note 3 below)	2.03	4521.45	1842.64	200.22 (note 4 below)	0.48	2042.38	2479.07	2616.49
11.4	Dies & Moulds	16.21	24.86	0.00	0.00	24.86	15.67	2.45	0.00	18.12	6.74	9.20
11.5	Vehicles											
	Car	9.50	46.83	0.00	0.00	46.83	10.48	4.25	0.00	14.73	32.10	36.35
	Fork Lift	9.50	9.92	0.00	0.00	9.92	1.26	0.94	0.00	2.20	7.72	8.66
11.6	Furniture & Fixture	6.33	39.99	1.23	0.00	41.22	29.18	1.39	0.00	30.57	10.65	10.81
11.7	Computer	16.21	27.35	0.27	0.00	27.62	23.41	0.86	0.00	24.27	3.35	3.94
12	INTANGIBLE											
12.1	Software	16.21	0.95	0.00	0.00	0.95	0.95	0.00	0.00	0.95	0.00	0.00
12.2	License (SAP)	16.21	72.25	0.00	0.00	72.25	12.33	11.71	0.00	24.04	48.21	59.93
12.3	Goodwill	16.21	7.98	0.00	0.00	7.98	7.98	0.00	0.00	7.98	0.00	0.00
	TOTAL RS.		5865.64	107.31	2.03	5970.92	2277.35	257.09	0.48	2533.96	3436.96	3588.30
	Previous Balance		5282.22	618.55	35.12	5865.64	2046.98	264.10	33.73	2277.35	3588.30	3235.24

**Note 1:** Lease hold land is on lease for 99 years and renewable for a further period and being perpetual in nature and therefore not amortized

**Note 2:** Depreciation is reckoned from the first day of subsequent month, when the asset is first put to use

**Note 3:** The amount of addition of Rs. 64.35 Lacs in Plant & Machinery includes Rs. 16.07 Lacs being balance value of Machinery which was capitalized and Put to use in the F.Y. 2012-13.

**Note 4:** The amount of Rs. 200.22 Lacs includes depreciation of 0.42 Lacs, which is related to F.Y. 2012-13, being depreciation on the full and final value paid during the year, for Plant and Machinery, which was Capitalized by the part value paid in F.Y. 2012-13 and was actually put to use in F.Y. 2012-13.

**KRITI NUTRIENTS LIMITED****NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.**  
(₹ in lacs)

NOTE	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>13 NON- CURRENT INVESTMENT</b>		
Trade Investment in Equity Instruments		
13.1 Unquoted		
13.1.1 The Cosmos Co-operative Bank Ltd. 1000 Equity Shares of Rs. 100/- each ( Pre.Yr.Rs. 1.00 lacs )	1.00	1.00
<b>Non Trade Investment in Equity Instruments</b>		
<b>13.2 Quoted</b>		
13.2.1 I.D.B.I (2880 Equity Shares of Rs. 10/- each (Market Price as on 31.03.2014 Rs. 1.88 lacs ( Prv. Yr. Rs. 2.31 lacs))	2.34	2.34
13.2.2 Reliance Power Ltd (25 shares of Rs. 10/- each) (Market value as on 31.03.2014 Rs .02 lacs (Prv. Yr. Rs. .02 lacs))	0.07	0.07
<b>Investment in Mutual Fund</b>		
13.3 SBI Mutual Fund 50000 units of Rs. 10 each (Market price as on 31.03.2014 Rs.6.55 lacs (Prv. Yr. Rs.5.63 lacs)) (Refer point no.2.5 of Note No.1 )	5.00	5.00
<b>Total</b>	<b>8.41</b>	<b>8.41</b>
<b>14 LONG TERM LOANS AND ADVANCES</b>		
14.1 SECURITY DEPOSITS	63.06	69.33
<b>Total</b>	<b>63.06</b>	<b>69.33</b>
<b>15 INVENTORIES</b>		
15.1 Raw Material	609.55	439.40
15.2 Finished Goods	919.80	1056.04
15.3 Stores and Spares & others ( Mode of valuation of above stocks are as per point no.2.6 of Notes no 1 )	457.40	335.33
<b>Total</b>	<b>1986.75</b>	<b>1830.77</b>
<b>16 TRADE RECEIVABLES</b>		
16.1 Unsecured Considered Good		
Over Six months from the date they become due	9.70	23.55
Others	344.36	442.68
16.2 Doubtful		
Over Six months from the date they become due (as reduced by Provision of 50%) (Refer point no. 3.10 of Note No.1 )	9.93	0.00
<b>Total</b>	<b>363.99</b>	<b>466.23</b>
<b>17 CASH AND BANK BALANCES</b>		
17.1 Cash & Cash Equivalents		
17.1.1 Balances with Banks	0.68	6.74
17.1.2 Cash on hand	6.82	3.55
17.2 Other Bank Balances		
17.2.1 Unpaid dividend	6.10	4.96



# KRITI NUTRIENTS LIMITED

## NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.

(₹ in lacs)

NOTE	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
17.2.2 Fixed deposit with banks held as margin money against borrowing ( Out of this, fixed deposit aggregating Rs.15.54 Lacs is having maturity beyond 12 months )	152.04	211.64
<b>Total</b>	<b>165.64</b>	<b>226.89</b>
<b>18 SHORT-TERM LOANS AND ADVANCES</b>		
18.1 Unsecured, Considered goods Advances recoverable in cash or kind or for value to be received	232.58	316.08
<b>Total</b>	<b>232.58</b>	<b>316.08</b>
<b>19 OTHER CURRENT ASSETS</b>		
19.1 Sundry Deposits	24.94	23.93
19.2 Advance Tax/ Tax Deducted at Source	153.33	9.91
19.3 CENVAT	1.14	1.99
19.4 Accrued Interest/ Income	95.92	217.04
<b>Total</b>	<b>275.33</b>	<b>252.87</b>
	<b>2013-14</b>	<b>2012-13</b>
<b>20 REVENUE FROM OPERATIONS</b>		
20.1 Sale of Products	28702.39	46446.06
20.2 Other Operating Revenues	194.73	231.83
	28897.12	46677.89
20.3 Less :Excise Duty	50.22	47.10
<b>Total</b>	<b>28846.90</b>	<b>46630.79</b>
<b>21 OTHER INCOME</b>		
21.1 Interest Income	48.41	100.93
21.2 Dividend Income	0.12	0.06
21.3 Net Gain/ (Loss) on Sale of fixed Asset	0.00	6.21
21.4 Other Non-Operating Income	7.97	1.16
21.5 Net Gain on Foreign Currency Transactions	35.75	0.00
<b>Total</b>	<b>92.25</b>	<b>108.36</b>
<b>22 EMPLOYEE BENEFITS EXPENSES</b>		
22.1 Salaries & Wages	417.99	395.26
22.2 Director Remuneration	23.15	19.12
22.3 P.F on Director's Remuneration	1.44	1.44
22.4 Contribution to Provident and Other Fund	33.34	32.98
22.5 Staff Welfare Expenses	20.40	30.66
<b>Total</b>	<b>496.32</b>	<b>479.46</b>
<b>23 FINANCIAL COST</b>		
23.1 Interest Expenses	402.20	516.03
23.2 Other Borrowing Cost	83.67	129.50
<b>Total</b>	<b>485.87</b>	<b>645.53</b>

**KRITI NUTRIENTS LIMITED****NOTES Forming Part of The Balance Sheet and Statement of Profit & Loss A/c.**  
(₹ in lacs)

NOTE	2013-14	2012-13
<b>24 OTHER EXPENSES</b>		
(I) Manufacturing Expenses		
24.1 Stores and Spares Consumed	163.77	155.22
24.2 Hexane Consumed	31.31	186.49
24.3 Chemicals Consumed	210.85	155.47
24.4 Coal Consumed	388.95	657.28
24.5 Power Charges	322.81	474.64
24.6 Freight & Cartage	158.60	218.37
24.7 Repairs & Maintenance	44.80	25.42
24.8 Insurance Charges	23.50	22.48
24.9 Water Charges	18.03	27.89
24.10 Miscellaneous Manufacturing Expenses	33.55	32.38
<b>Sub Total (I)</b>	<b>1396.17</b>	<b>1955.65</b>
(II) Administrative Expenses		
24.11 Stationery & Printing	1.14	1.58
24.12 Rent, Rates and Taxes	23.24	32.35
24.13 Postage, Telegram and Telephones	7.84	7.65
24.14 Auditor's Remuneration		
24.14.1 Audit Fees	1.12	1.12
24.14.2 Travelling	0.00	0.02
24.15 Conveyance Expenses	9.32	8.22
24.16 Legal & Professional Charges	17.53	15.70
24.17 Director's Meeting Fee	0.20	0.22
24.18 Net loss on Foreign Currency Transactions	0.00	60.68
24.19 Miscellaneous Expenses	34.69	43.02
<b>Sub Total (II)</b>	<b>95.08</b>	<b>170.57</b>
(III) Selling & Distribution Expenses		
24.20 Advertisement & Publicity	42.41	22.35
24.21 Sales Promotion Expenses	64.44	119.65
24.22 Brokerage & Commission	3.00	6.15
24.23 Freight Outward	113.26	934.36
24.24 Sales Tax & Octroi	1.89	0.03
24.25 Export Expenses	301.42	432.48
24.26 Sundry Balances Written off	0.71	0.00
24.27 Travelling Expenses	60.04	63.05
24.28 Bad Debts	1.15	0.00
24.29 Provision For Doubtful Debts	9.92	0.00
<b>Sub Total (III)</b>	<b>598.24</b>	<b>1578.06</b>
<b>TOTAL ( I+II+III)</b>	<b>2089.49</b>	<b>3704.28</b>



## KRITI NUTRIENTS LIMITED

### Cash Flow As On 31<sup>st</sup> March, 2014

(₹ in lacs)

NOTE	Year Ended 31.3.2014		Year Ended 31.3.2013	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
<b>Net Profit before Tax</b>		<b>558.69</b>		<b>210.47</b>
Adjustments for :				
Dividend Received	(0.12)		(0.06)	
Depreciation	257.09		264.10	
(Profit)/ Loss on Sale of Fixed Assets	1.05		(6.21)	
Financial Income	(92.13)		(102.10)	
Financial Expense	485.87	651.76	645.53	801.26
<b>Cash Operating Profit before working capital changes</b>		<b>1,210.45</b>		<b>1,011.73</b>
Increase / (Decrease) in Trade Payables	(777.50)		604.22	
Increase / (Decrease) in Short term Provisions	(41.74)		(159.49)	
Increase / (Decrease) in Other Current Liabilities	14.45		(46.00)	
(Increase) / Decrease in Inventories	(155.98)		(856.12)	
(Increase) / Decrease in Trade Receivables	125.28		(91.61)	
(Increase) / Decrease in Long term Loans & Advances	6.27		(10.94)	
(Increase) / Decrease in Short term Loans & Advances	83.49		44.55	
(Increase) / Decrease in Other Current Assets	127.54	(618.19)	192.40	(322.99)
Tax Paid		(150.00)		(9.91)
<b>Net Cash From Operating Activities (A)</b>		<b>442.26</b>		<b>678.83</b>
<b>Cash Flow From Investing Activities</b>				
Dividend Income	0.12		0.06	
Financial Income	92.13		102.10	
Purchase of Fixed Assets & CWIP	(123.94)		(617.18)	
Sale Proceed Of Fixed Assets	0.50		7.60	
Investment in Fixed Deposits having maturity of more than three months		59.60		120.84
<b>Net Cash Used In Investing Activities (B)</b>		<b>28.41</b>		<b>(386.58)</b>
<b>Cash Flow From Financing Activities</b>				
Increase / (Decrease) of Short Term Borrowings	685.91		(127.47)	
Increase / (Decrease) in Other Long Term Liability	(78.15)		(162.66)	
Proceeds from Long Term Borrowings	0.00		1,185.14	
Repayment of Long Term Borrowings	(560.18)		(453.89)	
<b>Net Increase / (Decrease) in Other Long Term Liability</b>	<b>(560.18)</b>		<b>731.26</b>	
Dividend Paid on Equity Shares	(30.06)		(75.16)	
Dividend Distribution Tax Paid	(5.11)		(12.19)	
Financial Expenses	(485.87)		(645.53)	



## KRITI NUTRIENTS LIMITED

### Cash Flow As On 31<sup>st</sup> March, 2014

(₹ in lacs)

Particulars	Year Ended 31.3.2014		Year Ended 31.3.2013	
	Amount	Amount	Amount	Amount
<b>Net Cash Used In Financing Activities (C)</b>		<b>(473.46)</b>		<b>(291.76)</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents (A + B + C)</b>		<b>(2.79)</b>		<b>0.49</b>
ADD :Cash and cash equivalents - Opening - 1st April		10.29		9.80
Cash and cash equivalents - Closing - 31st March		7.50		10.29

#### FOOTNOTE TO CASH FLOW STATEMENT:

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

Particulars	2013-2014	2013-2014
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	0.68	6.74
Fixed Deposit having original maturity 3 month or less	-	-
Cheques, Draft on hand	-	-
Cash on hand	6.82	3.55
<b>Total of Cash &amp; Cash Equivalent</b>	<b>7.50</b>	<b>10.29</b>

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

Particulars	2013-2014	2013-2014
Cash and cash equivalents as above	7.50	10.29
Add : Other Cash and Bank Balances		
Unpaid Dividend	6.10	4.96
Fixed Deposit account maturity more than 3 month & less than 12 month	136.50	96.15
Fixed Deposit account having maturity More than 12 Month	15.54	115.49
<b>Cash and Bank Balances classified as Current (Refer Note 17)</b>	<b>165.64</b>	<b>226.89</b>

Significant Accounting Policies &amp; Notes to the Account 1

As per our Report of even date attached

**For : R.S.Bansal & Company**

Chartered Accountants

FRN: 000939C

**Vijay Bansal**

Partner

M.No. 075344

Indore, 29<sup>th</sup> May 2014

For and on behalf of the Board of Directors

**Shiv Singh Mehta**  
(Managing Director)**Purnima Mehta**  
(Director)**Sumit Jaitely**  
(Company Secretary)



## NOTE NO. 1

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (31.03.2014)

#### 1. Corporate Information

Kriti Nutrients Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 24/09/1996 and having its Registered office in Indore (MP). The companies shares are listed in the Bombay Stock Exchange (BSE) and Madhya Pradesh Stock Exchange (MPSE). The Company is in the business of Soya Seed Extraction and Manufacturing & Selling of cooking oil under its own brand "KRITI".

#### 2. Significant Accounting Policies

##### 2.1 Basis of Preparation of Financial Statements

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

##### 2.2 Use of Estimates

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

##### 2.3 Fixed assets and Depreciation

###### Tangible Assets

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

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

###### Intangible Assets

Intangible assets are stated at acquisition cost less accumulated amortization. Amortization is provided on straight line method (S.L.M) at the rate 16.21% p.a.

##### 2.4 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

##### 2.5 Investments

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

##### 2.6 Inventories

1. Stores and Spares parts, etc: At Cost, with moving average price on FIFO basis
2. Raw materials: At cost, with moving average price on FIFO basis.





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

4. By Products: At net realizable value.

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

## **2.7 Revenue Recognition**

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

## **2.8 Employee Benefits**

- a) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

- b) Post-Employment Benefits:

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

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

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC. Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss.

## **2.9 Foreign Currency Transactions**

- 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 & Loss 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 and the resultant exchange differences are recognized in the Statement of Profit & Loss.
- c) Realized gain or loss on cancellation of forward exchange contract is recognized in the Statement of Profit & 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 "Exchange Fluctuation Hedge Reserve" carved out of free reserve in Balance Sheet.

## **2.10 Borrowing Costs**

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



## 2.11 Taxation

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

## 2.12 Earning Per Share

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

## 2.13 Provisions for Contingencies

- a) Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
- b) Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- c) Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

## 3. Other Notes to Accounts

**3.1** Previous year figure have been reclassified /regrouped wherever necessary.

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

### 3.3 Contingent liabilities

3.3.1 Estimated amount of contracts remaining to be executed on Capital Account is Nil of advance given (Previous Year Rs. 0.84 Lacs).

3.3.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.134.47 Lacs (Previous Year Rs.150.59 Lacs.)

3.3.3 Claims not acknowledge by the company on Commercial tax matters Rs 226.24Lacs (Previous Year 226.24Lacs)

**3.4** Installments of term loans from financial institutions falling due within one year are Rs 457.01 lacs (Previous year Rs. 556.88 Lacs).

**3.5** Company's Income tax assessments have been completed up to Assessment year 2011-2012. In the opinion of Board of Director's provision for income tax made is adequate.

**3.6.** Unpaid overdue amount due on March 31, 2014 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to Rs. Nil.

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

**3.7** The amount of Foreign Exchange Gain/ (Loss) included in the statement of profit & loss is Rs 35.75 lacs as gain (Previous Year loss Rs. 60.68 Lacs ). Current year gain included in Other Income & Previous Year loss amount is included in Administrative Expenses.

**3.8** In the opinion of the Board, all the current assets shall be realized, in the ordinary course of business, at the value on which they are stated.

**3.9** Other Long term liabilities includes Dealership deposit from Dealers and based on commercial practice these are generally not claimed in short term therefore these are treated as long term liability



3.10 The Company has initiated legal action against certain debtors amount outstanding of Rs.19.85 lacs.

The Company is assured of recovery of the amount on the basis of these legal cases, However a provision of 50% is provided on prudent basis. The provision for the same is netted off from the amount of debtors

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

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

<b>(b) Table showing changes in present value of obligations as on</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
Present value of obligations as at beginning of the year	45.42	42.33
Interest Cost	3.63	3.39
Current Service Cost	7.33	6.80
Benefit Paid	(7.52)	(4.29)
Actuarial (gain)/loss on obligations	(1.42)	(2.81)
Present value of obligations as at end of the year	47.44	45.42
<b>(c) Table showing changes in the fair value of plan assets as on</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
Fair value of plan assets at beginning of the year	59.19	58.25
Expected return on plan assets	78	5.23
Contribution	0.00	0.00
Benefit Paid	(7.52)	(4.29)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	55.45	59.19
<b>(d) Table showing fair value of plan assets as on</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
Fair value of plan assets at beginning of the year	59.19	58.25
Actual return on plan assets	3.78	5.23
Contribution	0.00	0.00
Benefit Paid	(7.52)	(4.29)
Fair value of the plan assets at the end of the year	55.45	59.19
Funded status	8.01	13.77
Excess of actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return= estimated rate of return as ARD falls on 31/03/2014)		
<b>(e) Actuarial Gain/Loss recognized as on</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
Actuarial (Gain)/Loss for the year-obligation	1.42	2.81
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Total (Gain)/Loss for the year	(1.42)	(2.81)
Actuarial (Gain)/Loss recognized for the year	(1.42)	(2.81)
<b>(f) Expenses recognized in statement of profit and loss</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
Current Service Cost	7.33	6.80
Interest cost	3.63	3.39
Expected return on Plan Asset	(3.77)	(5.23)
Net Actuarial (Gain)/Loss recognized in the year	(1.42)	(2.81)
Expenses recognized in the Statement of Profit & Loss	5.76	2.15

**(g) Assumption**

Discount rate	8%	8%
Salary Escalation	7%	7%

3.12 The company has only one business segment to be reported namely Soya Seed Extraction, as per Accounting Standard -17.

**3.13 DEFERRED TAX CALCULATIONS**

(₹ in lacs)

Sr. No.	Deferred Tax Liability/ (assets)	Current Year	Previous Year
a.	Depreciation	17.07	68.77
b.	Bonus & Leave Encashment	-1.54	-5.6
c.	Deferred Tax Liability ( Net ) for the year	15.53	63.17
d.	Deferred Tax Liability ( Net ) related to earlier years	33.81	-
e.	Opening Bal. of Deferred Tax Liability	444.36	381.19
f.	Closing Bal. of Deferred Tax Liability	493.7	444.36

3.14 The Company has entered into leasing agreement with Chetak Builders Pvt. Ltd. for the lease of Commercial Premises. The disclosure as per Para 25 of Accounting Standard – 19“LEASES”

(₹ in lacs)

Sr. No.	Particulars	Current Year	Previous Year
a.	Not Later than One Year	8.09	8.94
b.	Later than One Year Not Later than Five Years	36	41.39
c.	Lease payment recognized in Profit & Loss a/c for the Period	8.09	8.13

Note : Assets are taken on lease & lease rentals charged on the basis of agreed terms.

**3.15 EARNING PER SHARE**

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

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	50103520	50103520
2.	Profit contribution for Basic EPS (Rs in lacs)	356.45	105.19
3.	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)		
4.	Basic Earning Per Share	0.71	0.21
5.	Nominal Value Per Share	1	1

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

i. Key Management Personnel:

Shri Shiv Singh Mehta, Managing Director

Smt. Purnima Mehta, Director

Shri. Saurabh Singh Mehta, Executive Director



## ii. Relatives of Key Management Personnel

Smt. Devki Hirawat (Daughter of Managing Director)

Smt. Nidhi Mehta (Wife of Executive Director)

## iii Companies/Entities under the control of Key Management Personnel

1) Sakam Trading Pvt. Ltd. (Holding Company)

2) Kriti Industries (I) Ltd. (Subsidiary of Sakam Trading Pvt. Ltd.)

3) Kriti Auto &amp; Engg. Plastics Pvt. Ltd. (Wholly owned subsidiary of Kriti Industries (I) Ltd)

4) Chetak Builders Pvt. Ltd. (Subsidiary of Sakam Trading Pvt. Ltd.)

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

(₹ In lacs)

S. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	Remuneration	NIL (NIL)	24.59 (20.56)	NIL (NIL)	NIL (NIL)
2.	Sales of export scheme incentive License	NIL (NIL)	NIL (NIL)	NIL (NIL)	258.91 (368.98)
3	Purchase of export scheme incentive License	NIL (NIL)	NIL (NIL)	NIL (NIL)	1.01 (NIL)
4	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.62 (NIL)
5	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	36.42 (1.30)
6	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	1856.47 (1196.99)
	Taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	734.92 (316.06)
7	Interest Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	14.66 (16.33)
8	Interest Taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	12.47 (76.31)
9	Rent	NIL (NIL)	NIL (NIL)	NIL (NIL)	8.09 (8.13)

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

3.16 Additional information required under Para (viii) of Part II of Revised Schedule VI to the Companies Act, 1956, is follows:



(₹ in lacs)

Sr. No.	Particulars	31.03.2014	31.03.2013
a.	Value of Import on C.I.F. basis		
	i Raw Material	Nil	Nil
	ii Components & Spare Parts	10.39	Nil
	iii Capital Goods	7.64	44.48
b.	% of Spare Parts Consumed		
	i Imported	10.39	Nil
	% of Indigeneous Spare parts cosumed	6.32%	Nil
	ii Indigeneous	164.29	Nil
c.	Earning in Foreign Currency		
	i. Export of goods on F.O.B. basis	4355.13	7606.7
d.	Expenditure in foreign currency		
	i. Interest	Nil	Nil
	ii. Commission	16.20	0.46
	iii. Others	6.69	14.11

### 3.17 Auditor's Remuneration

(₹ in lacs)

Sr. No.	Auditor's Remuneration	31.03.2014	31.03.2013
a.	Statutory Audit Fees (INCLUDING SERVICE TAX)	0.84	0.84
b.	Tax Audit Fees1 (INCLUDING SERVICE TAX)	0.28	0.28
c.	Taxation & Other matters including Legal & Professional Expenses.	-	-

### 3.18 Information related Raw Material and Finished Goods

(₹ in lacs)

Particulars	Consumption
Raw Material	
Soyabean Seed	5986.55 (29234.78)
Soya Crude Oil	6952.34 (11362.61)
Others	1976.56 (1556.40)
Total	24915.45 (42153.79)



Particulars	Sales
Manufactured Product	
Soya Meal	5079.35 (21417.99)
Soya Crude Oil	0.0 (886.72)
Refined Oil	22201.72 (22149.79)
Others	1565.84 (2176.29)
Total	28846.91 (46630.79)

As per our Report of even date attached

**For : R.S.Bansal & Company**

Chartered Accountants  
FRN: 000939C

**Vijay Bansal**

Partner  
M.No. 075344

Indore, 29<sup>th</sup> May 2014

For and on behalf of the Board of Directors

**Shiv Singh Mehta**  
(Managing Director)

**Purnima Mehta**  
(Director)

**Sumit Jaitely**  
(Company Secretary)

## KRITI NUTRIENTS LIMITED

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

### ECS MANDATE FORM

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

1. Shareholder's name : \_\_\_\_\_  
(In Blockletters) (First holder)
2. Folio Number/ DPID : \_\_\_\_\_  
and Client ID No. (Joint holder, if any)
3. No. of Shares held : \_\_\_\_\_
4. Name of the Bank : \_\_\_\_\_
5. Branch Name and Address : \_\_\_\_\_
6. Account type : SB A/c ☐ Current A/c ☐ Others ☐ .....  
(Please specify)
7. Bank account number : \_\_\_\_\_
8. IFSC code : \_\_\_\_\_
10. PAN : \_\_\_\_\_
11. E-mail ID : \_\_\_\_\_

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

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

Date

.

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

#### Certificate of the Investor's bank

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

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



# PROXY FORM FORM MGT- 11

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

Name : \_\_\_\_\_  
CIN : \_\_\_\_\_  
Regd office : \_\_\_\_\_

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

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint  
1. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him \_\_\_\_\_  
2. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him \_\_\_\_\_  
3. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the ... Annual general meeting of the company, to be held on the 25th September, 2014 At the Corporate Support Center, 4th Floor Chetak Chmaber, 14 RNT Marg, Indore (M.P.) at 4:30P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	
1	Consider and adopt Audited Statement of accounts, Reports of the Board of Directors and Auditor.
2	Declaration of dividend on equity shares for the financial year ended 31st March, 2014
3	Re-appointment of Auditors
4	Appointment of CA Manoj Fadnis as an Independent Director of the company.
5	Appointment of Dr. Somnath Ghosh as an Independent Director of the company.
6	Appointment of Mr. Rakesh Kalra as an Independent Director of the company.
7	Special Resolution for borrowing limits under section 180(1)(c) of the Companies Act, 2013
8	Special Resolution for creation of charge/mortgage under section 180(1)(a) of the Companies Act, 2013

Signed this..... day of..... 2014

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

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

## ATTENDANCE SLIP

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

Mr./Mrs./Miss \_\_\_\_\_  
(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.  
I/We hereby record my/our presence at the 24<sup>th</sup> Annual General meeting of the company at chetak chambers, 4<sup>th</sup> floor, 14, R.N.T. Marg, Indore on thursday 25<sup>th</sup> September 2014

(If signed by proxy, his name should be Written in block letters)

(Shareholders/proxy's Signature)

Note: 1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them. 2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.