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**RIGHT ON TRACK**  
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**KRITI INDUSTRIES (INDIA) LTD.**  
27TH ANNUAL REPORT 2016-2017

**Board of Directors**

Shri Shiv Singh Mehta, *Managing Director*

Smt. Purnima Mehta *Executive Director*

Dr. Swatantra Singh Kothari

Shri Rakesh Kalra

CA Manoj Fadnis

Shri Chadrasekharan Bhaskar

**Auditors**

Rakesh Kumar & Associates

Chartered Accountants

"Navratan", 128-R, Khatiwala Tank, Indore - 452 004 (M.P.)

**Bankers**

State Bank of India

IDBI Bank Ltd.

Bank of India

HDFC Bank Ltd.

The Cosmos Co-Operative Bank Limited

**Company Secretary**

Smt. Priyanka Gupta

**Registered Office**

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

**Corporate Support Center**

Chetak Chambers, 4th Floor, 14 RNT Marg,  
Indore - 452 001 (M.P.)

**Share Transfer Agent**

M/s Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura,  
Indore - 452 010 (M.P.)

**NOTICE**

**NOTICE IS HEREBY GIVEN** that the **27<sup>th</sup> Annual General Meeting** of the Members of **KRITI INDUSTRIES (INDIA) LIMITED** will be held on **Tuesday, 12<sup>th</sup> September, 2017 at 03.00 P.M.** at Corporate Support Center of the Company situated at 4<sup>th</sup> Floor Chetak Chambers, 14 R. N. T. Marg, Indore (M.P.) - 452001 to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements together with Directors Report as also the Auditors Report thereon for the year ended **31<sup>st</sup> March, 2017**.
2. To declare dividend on the equity shares for the Financial Year ended on **31<sup>st</sup> March, 2017**.
3. Dr. S.S. Kothari (DIN 00084920), who is liable to retire by rotation, has not offered himself for re-appointment and this vacancy be not filled.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

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

**SPECIAL BUSINESS**

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

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

**"RESOLVED THAT** pursuant to sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) Shri S.P.S Dangi, Cost Accountant (FRN 100004), appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March, 2018 be paid the remuneration as set out in the statement annexed to the notice."

Place: Indore

Date: 11<sup>th</sup> May, 2017

Kriti Industries (India) Ltd

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyaganj,  
Indore - 452007 (M.P.)

By order of the Board

Priyanka Gupta  
Company Secretary



Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.**  
**A person can act as a proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. **The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 09
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, 6<sup>th</sup> September, 2017 to Tuesday, 12<sup>th</sup> September, 2017 (both days inclusive) for the Annual General Meeting.
4. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
5. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
6. Electronic copy of the Annual Report 2017 is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same.
7. Pursuant to Section 125 of the Companies Act, 2013 the amount of dividend remaining unpaid and unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has not declared any dividend for the financial year 2008-09 i.e., no unpaid and unclaimed dividend amount pertaining to dividend for the year 2008-09 was transferred to Investor Education and Protection Fund of the Central Government during the financial year 2016-17.
8. In compliance with the provisions of section 108 of the Act and Rules framed there under and in compliance with regulation 44 of SEBI (LODR) Regulations, 2015, the Members are provided with the facility to casts their vote electronically, through the e – voting services provided by NSDL, on all resolutions set forth in this Notice.
9. The remote e-voting period commences on Saturday, 9<sup>th</sup> September, 2017 (9:00 A.M. IST) and ends on Monday, 11<sup>th</sup> September, 2017 (5:00 P.M. IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 5<sup>th</sup> September 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently  
The instructions for e-voting are as under:
  - A. In case a Member receives e-mail from NSDL (for Members whose email addresses are registered with the Company/Depositories):
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial Password
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder –Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "REVEN" of "Kriti Industries (India) Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.





- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Corporate / Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [kriti.scrutinizer@gmail.com](mailto:kriti.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

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

- (II) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
10. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. *If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)*
- In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID)
- In case shareholders are holding shares in Physical mode, USER-ID is the combination of (Even No+Folio No)
11. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
12. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, 5<sup>th</sup> September 2017.
13. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on cut-off date i.e. Tuesday, 5<sup>th</sup> September 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.
14. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
16. CS Ishan Jain, Practicing Company Secretary (M. No. ACS 29444 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
17. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
18. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
19. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [kiil.kritiindia.com](http://kiil.kritiindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
20. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:



## KRITI INDUSTRIES (INDIA) LIMITED

M/s. Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010  
Tel: 0731-4281333, 4065797/99  
E-mail: ankit\_4321@yahoo.com, info@ankitonline.com

21. Members may also note that the Notice of the 27th AGM and the Kriti Industries (India) Ltd. Annual Report 2016-17 will be available on the Company's website [kiil.kritiindia.com](http://kiil.kritiindia.com). Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [info@kritiindia.com](mailto:info@kritiindia.com).

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

The following Explanatory Statement sets out all material facts relating to the Business mentioned at Item No. 5 of the accompanying Notice:

#### Item No. 5

On the recommendations of the Audit Committee, the Board has appointed Shri S.P.S. Dangi, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2018 on a remuneration of Rs. 25000/- (Rupees Twenty Five Thousand only).

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

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

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

Place: Indore

Date: 11<sup>th</sup> May, 2017

Kriti Industries (India) Ltd

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyaganj,  
Indore - 452007 (M.P.)

By order of the Board

Priyanka Gupta  
Company Secretary



## DIRECTORS' REPORT

Your Directors have the pleasure in presenting the **27<sup>th</sup> Annual Report** together with Audited Financial Statements of the Company for the year ended on **31<sup>st</sup> March, 2017**.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended **31<sup>st</sup> March, 2017** is summarized below:

(Rs. in Lacs)

Particulars	2016-17	2015-16
Total Income	36471.89	46256.07
Profit before Interest, Depreciation & Taxes	3012.19	3921.42
Less: Interest	1207.65	1585.06
Profit before depreciation	1804.54	2336.36
Less: Depreciation	480.25	404.71
<b>Profit/ (Loss) Before Tax</b>	<b>1324.29</b>	<b>1931.65</b>
Provision for Taxation	436.93	762.57
<b>Net Profit/(Loss)</b>	<b>887.36</b>	<b>1169.08</b>

### STATE OF COMPANY'S AFFAIRS

The Company has achieved a total turnover of Rs. 36471.89 lacs (Rs. 46256.07 lacs) and Profit before Tax Rs. 1324.29 lacs (Rs. 1931.65 lacs) and Profit after Tax of Rs. 887.36 lacs (Rs. 1169.08 lacs).

During the year company had completed modernization and relaying of plant in September, 2016, which has affected operations.

October- December, 2016 quarter working was also impacted due to Demonetization and lack of liquidity in the market. The sales momentum gradually revived from mid January, 2017.

The Company has commenced commercial production on October 27, 2016 in Unit II at the existing location at Pithampur, Madhya Pradesh, to manufacture Water Tanks and CPVC Pipes/Fittings.

It is expected that demand will peak up in F.Y. 2017-18 and company will be able to derived full benefits of modernization and relaying of plant by improving operational efficiency.

### DIVIDEND

Your directors are pleased to recommend a dividend of @ 15% (Rs. 0.15/-per equity shares of Rs. 1/- each on 49603520 Equity Shares) for the Financial Year 2016-17 aggregating to Rs. 74.40 Lacs. Previous Year the Board of Directors of the company declared and paid interim dividend @18% (Rs. 0.18/-per equity shares of Rs. 1/- each on 49603520 Equity Shares) absorbing a sum of Rs. 89.29 Lacs and the same was considered as final dividend.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2017 and of the statement of profit and loss of the Company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;



- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

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

#### **RELATED PARTY TRANSACTIONS**

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

All Related Party Transactions are placed before the Audit Committee and there after before Board for approval.

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

In CSR account company was to incur Rs. 50.79 Lacs in the Financial Year 2014-15, 2015-16 & 2016-17 and the outstanding amount as on 31<sup>st</sup> March, 2017 is Rs. 9.93.

During the year the Company made Rs. 25.00 lacs to Sakam Charitable Trust to its corpus for implementation of eligible CSR projects & activities on behalf of the company as covered in Schedule VII of the Companies Act, 2013.

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

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

The Company has in place adequate internal financial controls, with reference to financial statement. It has established the Standard Operating Procedure of SAP system, an integrated framework for managing risks and internal controls. The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls.

#### **DIRECTORS**

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Dr. S.S. Kothari (DIN 00084920), who is liable to retire by rotation, has not offered himself for re-appointment and the vacancy is proposed not to be filled. The Board place on records its appreciation for valuable guidance and service rendered by Dr. S.S. Kothari to the Company during his tenure.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

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

#### **MEETINGS**

During the Financial year Four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015.

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

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





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

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

#### **RECONSTITUTION OF COMMITTEE**

Pursuant to section 178 of the Companies Act, 2013 the Rules made there under regulations of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Board has re-constituted the Nomination & Remuneration Committee, Stakeholders' Relationship Committee & CSR committee during the financial year 2016-17.

#### **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, Rakesh Kumar & Associates, Chartered Accountants (FRN 002150C) appointed as auditors of the company which was subject to ratification at every Annual General Meeting till the conclusion of 30<sup>th</sup> Annual General Meeting of the company to be held in the year 2020 on such remuneration as may be fixed by the Board.

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

#### **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 your Directors had, on the recommendation of the Audit Committee, appointed Shri S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March, 2018. Resolution seeking Member's ratification for the remuneration payable to Shri S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) is included at Item No.5 of the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Kaushal Agrawal & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2017-18. The Report of the Secretarial Audit Report is annexed herewith.

#### **SUBSIDIARY COMPANY**

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 2283.87 Lacs (Previous Year Rs. 1721.01 Lacs) incurred a net loss of Rs 53.56 (Previous Year Rs. 93.48 Lacs) during the year.

Company is making its efforts to add new value added product/ diversification of product range at Ranjangaon plant to make it a profitable venture.

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

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

#### **STATUTORY INFORMATION**

##### **PUBLIC DEPOSIT**

The company has not received/accepted any deposits from public during the year under review within the meaning of section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014 and there is no overdue



## KRITI INDUSTRIES (INDIA) LIMITED

unpaid/unclaimed deposit as at 31<sup>st</sup> March, 2017.

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

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

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

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

### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form No. MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending 31<sup>st</sup> March, 2017 is annexed hereto as Annexure D and forms part of this report.

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

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

### **GENERAL**

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

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its subsidiary.
- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- f) There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2017.

### **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**Place: Indore**

**Date: 11<sup>th</sup> May, 2017**

**Kriti Industries (India) Ltd**

**CIN L25206MP1990PLC005732**

**Regd. Office: Mehta Chamber, 34 Siyaganj,  
Indore-452007(M.P.)**

**By order of the Board,**

**Shiv Singh Mehta  
Managing Director  
DIN 00023523**



## ANNEXURE -A

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

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2017.

#### A. CONSERVATION OF ENERGY

##### I. Steps taken or impact on conservation of energy:

- a) Energy Conservation measures taken:
  - (i) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption.
  - (ii) New systems are being devised to reduce electric power, fuel and water consumption.
- b) Additional Investment and proposals for reduction of consumption of energy:  
By relocating, modifying the available equipment, energy, conservation measures are being implemented and major investments have not been made for equipments so far.
- c) Impact of above measures:

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

#### B. TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption:  
The company has through R & D developed processes adopted which helped in reducing the energy consumption.
2. Benefits derived like product improvement, cost reduction, product development or import substitution:  
With the installation of various additional equipments it was possible to achieve consistency in production and quality of products.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

#### C. FOREIGN EXCHANGE EARNING & OUTGO

(Rs. in Lacs)

	12 Months period ended March, 2017	12 Months period ended March, 2016
1. Earning		
FOB value of Exports	Nil	Nil
2. Outgoing		
a) CIF Value of Imports	7328.22	5564.52
b) Expenditure in Foreign Currency	3.96	5.44

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

- (I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. NO.	Name of Director / KMP & Designation	Remuneration for the FY 2016-17 (Rs. in Lacs)	% increase/ (Decrease) in Remuneration in the FY 2016-2017	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri Shiv Singh Mehta Managing Director	71.96	(29.52%)	46.73	Profit after tax Decreased by 24.10 % in FY 2016-17
2	Smt. Purnima Mehta Executive Director	43.83	(0.76%)	28.46	
3	Shri Vinod Kumar Mittal Chief Financial Officer	24.07	14.13%	Not Applicable	
4	Smt. Priyanka Gupta Company Secretary	2.27	14.15%	Not Applicable	

- ii) The median remuneration of employees of the Company during the financial year was Rs. 1.54 Lacs
- iii) In the financial year, there was increase of Rs. 0.16 lacs in the median remuneration of employees;
- iv) There were 500 permanent employees on the rolls of Company as on March 31, 2017;
- v) The Profit before Tax for the financial year ended March 31, 2017 Decreased by 24.10%.
- vi) The company has not come out with public issue. The market capitalisation as on 31<sup>st</sup> March, 2017 was Rs. 215.53 Crore (Rs. 163.34 Crore as on 31<sup>st</sup> March, 2016).
- vii) The variable remuneration of the Managing Director / Whole Time Director as a commission base on profit of the company.
- viii) The remuneration based on annual appraisals is paid as per the remuneration policy of the company.

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

Sr. No.	Particulars	Details
1	Average net profit of the company for last three financial years	Rs. 1058.61 Lacs
2	Prescribed CSR expenditure (Two percent of the amount in Sr. No. 1 above) Prescribed CSR expenditure outstanding for the financial year 2014-15 Prescribed CSR expenditure outstanding for the financial year 2015-16 Total CSR Expenditure	Rs.21.17 Lacs Rs. 15.29 Lacs Rs. 7.71 Lacs Rs. 44.17 Lacs
3	The Composition of the CSR Committee.	Shri Shiv Singh Mehta Smt. Purnima Mehta Shri Rakesh Kalra
4	a. Total amount spend during financial year b. amount unspent if any c. manner in which the amount spent during the financial year	Rs. 34.24 Lacs Rs. 0.00 Lacs details given below
5	Reason for not spending the amount in its Board's Report	The company has been working on identifying the projects for carrying out CSR activities. The company is now working on projects and the expenditure on these projects shall be accounted for as and when incurred The Company transfer the sum of Rs. 25.00 Lacs (Twenty Five Lacs Rupees only) to Sakam Charitable Trust to its corpus for implementation of eligible CSR projects & activities on behalf of the company as covered in Schedule VII of the Companies Act, 2013.
6	A responsibility of the CSR committee	The implementation and monitoring of Corporate Social Responsibility policy, is in compliance with CSR objectives and policy of the company




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

Sr. No.	CSR Project or Activity identified	Sector in which the project the covered	Project or Programs	Amount Outlay (budget) project or programs wise	Amount spent on (budget) project or programs wise	Cumulative Expenditure	Amount spent direct or through implementing agency
1	PROMOTING EDUCATION AND OTHER INITIATIVES	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Scholarship to the Students.	Rs. 14.00 Lacs	Rs. 2.91Lacs	Rs. 2.91 Lacs	DIRECT
2	PROMOTING EDUCATION AND OTHER INITIATIVES	Clause (i) & (ii) of Schedule VII of the Companies Act, 2013:- Promoting	Jain Engineers Society	Rs. 14.00 Lacs	Rs. 1.00 Lacs	Rs. 3.91 Lacs	DIRECT
3	HEALTH CARE	Clause (i) of Schedule VII of the Companies Act, 2013:- HEALTH CARE	Free Ayurvedic camps to the public.	Rs. 10.00 Lacs	Rs. 1.84 Lacs	Rs.5.75 Lacs	DIRECT
4	HEALTH CARE	Clause (i) of Schedule VII of the Companies Act, 2013:- HEALTH CARE	Free Ayurvedic camps to the public.	Rs. 10.00 Lacs	Rs.1.42Lacs	Rs. 7.17 Lacs	IMPLEMENTING AGENCY:SAKAM CHAIRATABLE TRUST
5	GENERAL EQUALITY	Clause (iii) of Schedule VII of the Companies Act, 2013:- Promoting Gender Equality , Empowering Women	Awareness Program to Public	Rs. 10.00 Lacs	Rs. 1.35 Lacs	Rs. 8.53 Lacs	DIRECT
6	PROMOTING EDUCATION AND OTHER INITIATIVES	Clause (i) & (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Furniture to Bal Vidhya Mandir School. Indore	Rs. 10.00 Lacs	Rs. 0.72 Lacs	Rs. 9.24 Lacs	DIRECT
7	CSR PROJECTS & ACTIVITIES	Schedule VII of the Companies Act, 2013.	Sakam Charitable Trust, Indore		Rs. 25.00 Lacs	Rs. 34.24 Lacs	DIRECT
	<b>TOTAL</b>				<b>Rs. 34.24 Lacs</b>		

**Shiv Singh Mehta**  
Chairman  
DIN 00023523

**Purnima Mehta**  
Member  
DIN 00023632

**Form No. MGT-9****ANNEXURE-D****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L25206MP1990PLC005732
Registration Date	12 <sup>th</sup> March, 1990
Name of the Company	Kriti Industries (India) Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Mehta Chambers, 34-Siyaganj, Indore-452007, Tel. No. 0731-2719126
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent if any	Ankit Consultancy Pvt. Ltd , Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452010 Tel. No. 0731-4281333, 4065797/99 E-mail: ankit_4321@yahoo.com, info@ankitonline.com

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

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

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

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

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

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

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



## KRITI INDUSTRIES (INDIA) LIMITED

Category of Shareholders	No. of. Shares held at the beginning of the year				No. of. Shares held at the end of the year				% Change during & the year
	Demat	Physical	Total Share	% of Total Share	Demat	Physical	Total Share	% of Total Share	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	32617778	-	32617778	65.76	32617778	-	32617778	65.76	0.00
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1600	-	1600	0	1600	-	1600	0	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	1600	-	1600	0	1600	-	1600	0	0.00
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	1178481	17600	1196081	2.41	1138292	17600	1155892	2.33	(0.08)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4685816	3029680	7715496	15.55	5244014	2925680	8169694	16.47	0.92
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7760837	-	7760837	15.65	7442552	-	7442552	15.00	(0.65)
c) Others (NRI & OCB)	303433	-	303433	0.61	197683	-	197683	0.40	(0.21)
d) Other (Clearing Member)	8295	-	8295	0.02	18321	-	18321	0.04	0.02
<b>Sub-total (B)(2):-</b>	13936862	3047280	16984142	34.24	14040862	2943280	16984142	34.240	0.00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	13938462	3047280	16985742	34.24	14040862	2943280	16984142	34.240	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total(A+B+C)</b>	<b>46556240</b>	<b>3047280</b>	<b>49603520</b>	<b>100</b>	<b>46660240</b>	<b>2943280</b>	<b>49603520</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

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

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

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

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Praveen Kumar Kasliwal	1023396	2.06	1023396	2.06
2	Bhavesh Shah	922160	1.86	1203944	2.43
3	Chartered Finance And Leasing Limited	747397	1.51	747397	1.51
4	Rahul Chandrasingh Mehta	683958	1.38	683958	1.38
5	Jyoti Kasliwal	662137	1.33	661737	1.33
6	Varsha Bhavesh Shah	548992	1.11	445615	0.90
7	Rajeev Jawahar	503920	1.02	401892	0.81
8	Kamlaben Babulal Jain	474680	0.96	0.00	0.00
9	Sheetal Rahul Mehta	416000	0.84	416000	0.84
10	Sandeep Bipin Chandra Jhaveri	406676	0.82	462105	0.93
11	Sanjay Kothari	00	00	400000	0.81



## KRITI INDUSTRIES (INDIA) LIMITED

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

Sr. No	For Each of Director And KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Shiv Singh Mehta, Managing Director	2028799	4.09	2028799	4.09
2	Smt. Purnima Mehta, Whole-time Director	125592	0.25	125592	0.25
3	Dr. S.S. Kothari, Director	-	-	-	-
4	Shri Rakesh Kalra, Independent Director	-	-	-	-
5	CA Manoj Fadnis, Independent Director	-	-	-	-
6	Chandrasekharan Bhaskar, Independent Director	-	-	-	-
7	Shri Vinod Kumar Mittal, Chief Financial Officer	5	0.00	5	0.00
8	Smt. Priyanka Gupta, Company Secretary & Compliance Officer	5	0.0	5	0.00

### V. INDEBTEDNESS

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

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4462.80	1496.20	0.00	<b>5958.99</b>
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>4462.80</b>	<b>1496.20</b>	<b>0.00</b>	<b>5958.99</b>
<b>Change in Indebtedness during the financial year:</b>				
Addition:	1290.60	0.00	0.00	<b>1290.60</b>
Reduction	0.00	141.57	0.00	<b>141.57</b>
<b>Net Change</b>	<b>1290.60</b>	<b>141.57</b>	<b>0.00</b>	<b>1149.03</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5753.40	1354.63	0.00	7108.03
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>5753.40</b>	<b>1354.63</b>	<b>0.00</b>	<b>7108.03</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	Name of MD/TWD /Manager		Total Amounts
		Shri Shiv Singh Mehta (MD)	Smt. Purnima Mehta (WHD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.00	22.50	55.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.00	5.63	11.63
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission-			
	- as % of profit	29.00	13.00	42.00
	- others, specify	-	-	-
5	Employer's Provident Fund	3.90	2.70	6.66
	<b>Total (A)</b>	<b>71.96</b>	<b>43.83</b>	<b>115.79</b>



**B. Remuneration to other directors:**

(Rs. in lacs)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Rakesh Kalra	C.A. Manoj Fadnis	Shri Chandrasekharan Bhaskar	
1	Independent Directors				
	Fee for attending board/committee meetings	0.84	0.84	0.60	2.28
	Total (1)				2.28
2	Other Non-Executive Directors	Dr. S. S. Kothari			
	Fee for attending board/committee meetings	0.20			0.20
	Total (2)				0.20
	Total (B)=(1+2)				2.48
<b>Total Managerial Remuneration (A+B)</b>					<b>118.27</b>

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

(Rs. in lacs)

S. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Vinod Kumar Mittal, CFO	Smt. Priyanka Gupta, CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	24.07	2.27	26.34
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission- - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>24.07</b>	<b>2.27</b>	<b>26.34</b>

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

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty Punishment /compounding fees imposed	Authority (RD) NCLT/ COURT)	Appeal made, if any (give details)
<b>COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

Place: Indore

Date: 11th May, 2017

Kriti Industries (India) Ltd

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyaganj

Indore -452007 (M.P.)

By order of the Board

Shiv Singh Mehta  
Managing Director  
DIN 00023523



**SECRETARIAL AUDIT REPORT FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

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

To,

The Members,

**KRITI INDUSTRIES (INDIA) LIMITED**

**CIN- L25206MP1990PLC005732**

Mehta Chambers, 34-Siyaganj,

Indore-452007 (M.P.)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KRITI INDUSTRIES (INDIA) LIMITED for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

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



- b) The Water (Prevention and Control of Pollution) Act, 1974;
- c) The Air (Prevention and Control of Pollution) Act, 1981;
- d) The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008
- e) Factories Act, 1948
- f) Industrial Disputes Act, 1947
- g) The Payment of Wages Act, 1936
- h) The Minimum Wages Act, 1948
- i) The Employees State Insurance Act, 1948
- j) The Employee Provident Fund And Miscellaneous Provision Act, 1952
- k) The Payment of Bonus Act, 1965
- l) The Payment of Gratuity Act, 1972
- m) Contract Labour (Regulation And Abolition) Act, 1970
- n) The Industrial Employment (Standing Orders) Act, 1946.

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

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

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

We further report that:-

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

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

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

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

We further report that during the audit period:-

1. The Members have accorded their consent to the Board of Directors at the Annual General Meeting held on August 11, 2016 for the following:-
  - a) to ratify the remuneration of Mr. S.P.S Dangi, Cost Accountant (FRN 100004), cost auditors of Company appointed by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March, 2017 on a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only).
  - b) to re-appoint Mr. Shiv Singh Mehta (DIN:00023523) as a Managing Director of the Company for the term of 5 years on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company.
  - c) to re-appoint Mr. Purnima Mehta (DIN : 00023632) as a Whole time Director of the Company for the term of 3 years on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company.
  - d) to appoint Mr. Chandrasekharan Bhaskar (DIN: 00003343) as a Independent Director of the Company for the term of 5 years on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company.
  - e) to adopt new set of Articles of Association pursuant to section 14 of the Companies Act 2013.

**For : Ashish Karodia & Company**

Company Secretary

**CS Ashish Karodia**

MNo. 6549 CP No. 6375

**Place : Indore**

**Date : 11<sup>th</sup> May 2017**

**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and the society at large.

In harmony with this philosophy, the Company relentlessly strives for excellence by bench marking itself with esteemed companies with good corporate governance. Your company is compliant with all the provisions SEBI (LODR) Regulations, 2015.

The details of compliance are as follows:

**1. The Governance Structure:**

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

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

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

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

**2. BOARD OF DIRECTORS****A. Composition of Board**

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations, SEBI (LODR), 2015 As at the end of corporate financial year 2016-17, the total Board consists of Six (6) directors, out of which for (4) are non-executive directors and out of the four (4) non-executive directors three (3) are independent Director.

The composition of the Board of directors and the number of Board Committee in which they are chairman/ member as on 31<sup>st</sup> March, 2017 are as under:

Name	Category	No. of Director-ship in other public Limited Companies	No. of Committee Position held in other Public Limited Companies	
			Chairman	Member
<b>Shri Shiv Singh Mehta</b>	Promoter & Managing Director	Two	NIL	Three
<b>Smt. Purnima Mehta</b>	Promoter & Executive Director	One	Two	One
<b>CA Manoj Fadnis</b>	Independent & Non-Executive Director	One	Two	One
<b>Shri Rakesh Kalra</b>	Independent & Non-Executive Director	Five	One	Six
<b>Dr. S.S. Kothari</b>	Non-Executive Director	NIL	NIL	NIL
<b>Shri Chandrasekharan Bhaskar*</b>	Independent & Non-Executive Director	Four	NIL	Six

\*Shri Chandrasekharan Bhaskar was appointed as Independent Director w.e.f 12<sup>th</sup> May, 2016.



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 12<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016, 06<sup>th</sup> February, 2017.

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

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

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

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

Name of Directors	No. of Board Meeting held during the year	No. of Board Meeting Attended	Attendance at the last AGM held on 11th August, 2016
Shri Shiv Singh Mehta	4	4	Yes
Smt. Purnima Mehta	4	4	Yes
Dr. S.S. Kothari	4	1	No
CA Manoj Fadnis	4	4	Yes
Shri Rakesh Kalra	4	4	Yes
Shri Chandrasekharan Bhaskar	4	3	Yes

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

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 6<sup>th</sup> February, 2017 to review the performance of Non-independent Directors (including the Chairman) and the entire Board.

#### **E. Agenda:**

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

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

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

#### **G. Board Evaluation:**

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

#### **H. Code of Conduct:**

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

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

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.



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

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

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

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

**L. Web Link:** [kiil.kritiindia.com](http://kiil.kritiindia.com)**3. AUDIT COMMITTEE****(a) Terms of reference:**

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

The Company Secretary acts as secretary to the committee.

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

**(b) Constitution and Composition:**

The Audit Committee of the Company as on 31<sup>st</sup> March, 2017 comprises of the following Directors of the Company.

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

Out of three members, two members are Non-Executive Independent Directors.

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

Four (4) meetings were held during the financial year 2016-17 on 12<sup>th</sup> May, 2016, 11<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016, 06<sup>th</sup> February, 2017. The attendance of each member of the committee is as under:

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

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



#### 4. NOMINATION & REMUNERATION COMMITTEE

##### (a) Terms of reference:

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

##### (b) Composition:

The Remuneration Committee of the Company as on 31<sup>st</sup> March, 2017 comprises of the following Directors of the Company.

Name of the Director	Designation
Shri Rakesh Kalra	Chairman
CA Manoj Fadnis	Member
Shri Chandrasekharan Bhaskar	Member

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

CSPriyanka Gupta, Company Secretary acts as the Secretary to the Committee

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

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

##### (d). Remuneration Policy:

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

##### Remuneration of Non-Executive Directors:

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

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

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

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

During the financial year 2016-17, the particulars of remuneration paid to Managing Director and Whole-time Director are as under: -

(Rs. in lacs)					
Name of the Director	Salary	Perquisites	Commission	Stock option Details	Period of Contract
Shri Shiv Singh Mehta	33.00	6.00	29.00	NIL	5 Years starting from 1st October, 2016
Smt. Purnima Mehta	22.50	5.63	13.00	NIL	3 Years starting from 1st July, 2016

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

The details of sitting fee paid to each of the other non executive/Independent Directors during the Financial year 2016-17 are given below:

(Rs. in lacs)			
Name	Sitting Fees	Other Payment	Total
Shri Rakesh Kalra	0.84	-	0.084
CA Manoj Fadnis	0.84	-	0.084
Shri Chandrashekharan Bhaskar	0.60	-	0.60
Dr. S.S. Kothari	0.20	-	0.20

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

Name of the Director	Designation
Shri Chandrashekhra Bhaskar	Chairman
Shri Shiv Singh Mehta	Member
Smt. Purnima Mehta	Member

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

c) Share holder Compliant Status during the financial year 2016-17:

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
49	49	0

**6. CORPORATE SOCIAL RESPONSIBILITY**

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

Name of the Director	Designation
Shri Shiv Singh Mehta	Chairman
Smt. Purnima Mehta	Member
Shri Rakesh Kalra	Member

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

**7. MD CERTIFICATION**

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

**8. INFORMATION ON GENERAL BODY MEETINGS**

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

Year	Location	Date	Time	Special Resolutions	Special Resolutions through postal ballot
2015-2016	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	11 <sup>th</sup> August, 2016	4:00 PM	One	No
2014-2015	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	24 <sup>th</sup> September, 2015	2:00 PM	No	No
2013-2014	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	25 <sup>th</sup> September, 2014	2:00 PM	Two	No

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

**9. MEANS OF COMMUNICATION**

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

Quarterly Results	News Paper Publication	Displayed in Website
30.06.2016	Naidunia, Indore & Business Standard, Mumbai	<a href="http://kiil.kritiindia.com">kiil.kritiindia.com</a>
30.09.2016		
31.12.2016		
31.03.2017		



## 10. GENERAL SHAREHOLDER INFORMATION

### (a) Annual General Meeting:

The **27<sup>th</sup> Annual General Meeting** of the Company will be held on **Tuesday , 12<sup>th</sup> September, 2017 at 3.00 P.M** at Corporate Support Center of the company situated at "Chetak Chambers" 4<sup>th</sup> Floor, 14 R.N.T. Marg, Indore-452001 (M.P)

### (b) Board Meeting to be held in the Financial Year: 2017-18 (from 1<sup>st</sup> April-2017 to 31<sup>st</sup> March, 2018)

a.	Un-Audited Results for the first quarter ending 30 <sup>th</sup> June, 2017	On or Before 14 <sup>th</sup> September, 2017
b.	Un-Audited Results for the second quarter ending 30 <sup>th</sup> September, 2017	On or Before 14 <sup>th</sup> December, 2017
c.	Un-Audited Results for the Third quarter ending 31 <sup>st</sup> December, 2017	On or Before 14 <sup>th</sup> February, 2018
d.	Un-Audited Results (Audited) for the fourth quarter ending 31 <sup>st</sup> March, 2018	On or Before 30 <sup>th</sup> May, 2018
e.	Annual General Meeting for the year ending 31 <sup>st</sup> March, 2018	Before end of September, 2018

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

The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, 6<sup>th</sup> September, 2017 to Tuesday, 12<sup>th</sup> September, 2017 (both days inclusive) for the Annual General Meeting.

### (d) Dividend History

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

Financial Year	Interim Dividend (%)	Final Dividend(%)	Total Dividend(%)	Amount of Dividend (Rs. in Lacs)
2015-16	18	-	18	<b>89.29</b>
2014-15	-	-	-	-
2013-14	-	15	15	<b>74.41</b>
2012-13	-	15	15	<b>74.41</b>
2011-12	-	15	15	<b>74.41</b>

### (e) Listing on Stock Exchange

The Company's shares are traded on BSE.

The Company's shares are presently listed on the Bombay Stock Exchange Limited. The Company has paid annual listing fee for the year 2017-18.

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

BSE : 526423  
NSDL & CDSL-ISIN : INE479D01038

### (g) 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 2016-17 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2016	38.60	30.30
May, 2016	36.70	23.25
June, 2016	28.50	21.00
July, 2016	32.80	25.00
August, 2016	32.00	24.95
September, 2016	36.50	25.00
October, 2016	45.00	32.50
November, 2016	46.00	32.00
December, 2016	37.35	32.00
January, 2017	37.65	32.00
February, 2017	42.95	32.05
March, 2017	46.70	40.01


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

Plot No. 60, Electronic Complex, Pardeshipura

Indore- 452010 (M.P)

Tel: 0731-4281333-4065797/99, Fax: 0731-4065798

E-mail: ankit\_4321@yahoo.com, Info@ankitonline.com

**i) Share Transfer System:**

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

**j) Distribution of Shareholding as on 31<sup>st</sup> March, 2017**

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	4126	70.43
1001-2000	917	15.65
2001-3000	260	4.44
3001-4000	246	4.20
4001-5000	52	0.89
5001-10000	137	2.34
10001-20000	55	0.94
20001-30000	20	0.34
30001-40000	11	0.19
40001-50000	5	0.09
50001-100000	9	0.15
100000 Above	20	0.34

**k) Dematerialisation of Shares & Liquidity**

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

**l) Details of Demat Shares as on 31<sup>st</sup> March, 2017**

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2352	42790677	86.27
CDSL	1236	3869563	7.80
<b>Sub-Total</b>	<b>3588</b>	<b>46660240</b>	<b>94.07</b>
Shares in physical form	2270	2943280	5.93
<b>Grand Total</b>	<b>5858</b>	<b>49603520</b>	<b>100.00</b>

**(m) Reconciliation of Share Capital Audit:**

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

**(n) Outstanding Convertible Instruments:**

There are no outstanding warrants or any convertible instruments.

**(o) Plant locations of the Company:**

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

**(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: 0731-4281333, 0731-4065797/99

Fax: 0731-4065798

E-mail: [ankit4321@yahoo.com](mailto:ankit4321@yahoo.com), [info@ankitonline.com](mailto:info@ankitonline.com)

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

None of the transaction with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 41 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 years.

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

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

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

\* E-mail : [info@kritiindia.com](mailto:info@kritiindia.com), [cs@kritiindia.com](mailto:cs@kritiindia.com)

\* Written Communication to : Mehta Chamber, 34, Siyaganj, Indore-452007( M.P) / Chetak Chambers" 4<sup>th</sup> Floor, 14 R.N.T. Marg, Indore-452001( M.P)

Particular	Web links
Material Event Policy	<a href="http://kiil.kritiindia.com/policies/">kiil.kritiindia.com/policies/</a>
Related Party Transaction policy	<a href="http://kiil.kritiindia.com/policies/">kiil.kritiindia.com/policies/</a>





## KRITI INDUSTRIES (INDIA) LIMITED

### MD / CEO CERTIFICATION

To,

The Board of Directors,

Kriti Industries (India) Limited

Indore (M.P.)

Dear Sir,

We have reviewed the Financial Statement read with the cash flow statement of **Kriti Industries (India) Limited** for the year **31<sup>st</sup> March, 2017** and that to the best of their knowledge and belief:

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

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

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

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

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

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

**Shiv Singh Mehta**

**Managing Director**

**DIN 00023523**

### DECLARATION REGARDING CODE OF CONDUCT

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

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

**Shiv Singh Mehta**

**Managing Director**

**DIN 00023523**

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

To

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

We have examined the compliance of conditions of Corporate Governance by **KRITI INDUSTRIES (INDIA) LIMITED** ('the Company'), for the year ended March 31st, 2017 as stipulated as per Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 as applicable.

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

**Restrictions on Use :**

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

**Place : Indore,**

**Date : May 11<sup>th</sup>, 2017**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

World Bank estimated India's GDP growth at 7% for FY2016-17, below the pre-demonetization estimate of 7.6%. During FY2016-17, the Government embarked on decisive initiatives in digitization, GST and FDI to ensure that all major service and industry sectors returned to status quo by Q4 end. On the overall, adequate monsoon, moderate inflation, banking reforms and strong consumption appetite helped grow the economy. Consequently, the Asian Development Bank expects the Indian economy to grow at an accelerated 7.4% in FY2017-18 and 7.6% in FY2018-19, retaining its position as the world's fastest-growing major economy.

The Indian agricultural sector reported a commendable performance following the healthy monsoon. The agricultural sector grew at 4.15% during FY2016-17 (significantly higher than 1.2% in FY2015-16), contributing approx 17% of India's Gross Value Added. The country's manufacturing sector, one of the high-growth sectors of the economy, contributed approx 16% of India's GDP.

Indian Economy will be lead by major investments in agriculture, housing & infrastructure. Growth in all these sectors will create business opportunities for plastic industry in the coming years.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Plastic processing is the pillar of economy in most of the advanced economies. This sector has huge unrealized potential, as indicated by the present very low per capita consumption levels of polymers in India which is 10 kg vis-à-vis 38 kg in China, 32 kg in Brazil, 65 kg in Europe and the global average of approx 28 kg.

Domestic Piping industry size is Rs. 27,500 crores out of which Plastic Piping Segment constitutes Rs. 22,000 crores. Market Size of organized segment in domestic Plastic Pipes Industry is approx 60%.

Lack of sanitation has been prompting the government to focus on improving the irrigation water supply and sewerage infrastructure through multiple schemes like JNNURM, SWACHH Bharat Mission and "Smart Cities Mission". Thus, it is believed that the demand for HDPE/PVC pipes will have major contribution in above areas.

Government is implementing NOFN (National Optical Fiber Network) Scheme to link block level broadband facility. This will create demand for PLB Ducts for laying optical fiber.

As per Government estimates, only 46% of cultivated land area has access to irrigation. The balance 54% still depends on rain water for irrigation, thus presenting huge opportunity for the organized players in Plastic Pipes industry. Looking to the growth potentials in overall plastic Industry, your Company has planned systematic expansion in phases to meet the growing demand in the coming years.

As per industry estimates, the urban population as a percentage of total population is expected to increase from 33% (approx 42 cr.) in 2015 to 40% (approx 59 cr.) by 2030. Under the Union Government's Scheme of "Housing for All", 6 Cr houses are to be built in which 4 Cr in rural area and 2 Cr in urban area by 2022. This presents the huge opportunity for players operating in real estate segment. With the growing acceptance of CPVC pipes in plumbing segment, this would be the critical engine of growth for players in Plastic Pipe Industry.

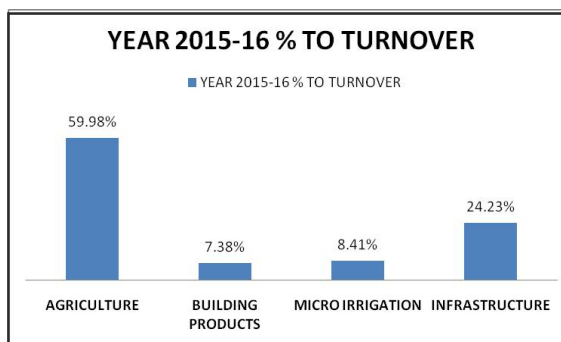
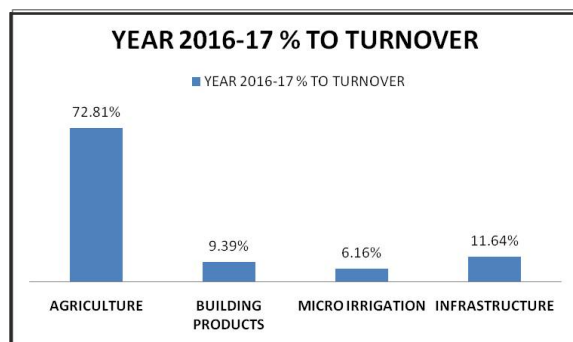
### COMPANY VERTICALS & PRODUCTS

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

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



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



#### OPERATIONAL PERFORMANCE

Your Company has achieved a total turnover of Rs. 36471.89 lacs (Rs. 46256.07 lacs) and Profit before Tax Rs. 1324.29 lacs (Rs. 1931.65 lacs) and Profit after Tax of Rs. 887.36 lacs (Rs. 1169.08 lacs).

During the year, the Company had completed modernization and relaying of plant in September, 2016, which has affected operations.

In October- December, 2016 quarter, the sales have remained subdued due to demonetization and lack of liquidity in the market. The sales momentum gradually revived from mid January, 2017.

Your Company has commenced the commercial production to manufacture Water Tanks and CPVC Pipes/Fittings on October 27, 2016, in Unit II at the existing location in Pithampur, Madhya Pradesh..

#### FINANCE

The total finance cost of the company was Rs.12.07 Cr (2.97% to sales) as against Rs. 15.85 Cr (3.43% to sales) in previous year. The interest out go in fund base working capital and term loan was Rs 6.12 Cr and Non fund LC/BG discounting was Rs. 3.75 crores. Total commission and charges was Rs 1.84 Cr. The corresponding discounted bills payable have been classified as creditors.

Effective average rate of interest on fund base working capital & term loan was 11.77% and non fund base limit was 10.34%. Bank limits varies from month to month as per business volume in peak/lien session.

#### SUBSIDIARY COMPANY

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 2283.87 Lacs (Previous Year Rs. 1721.01 Lacs) incurred a net loss of Rs 53.56 Lacs (Previous Year Rs. 93.48 Lacs) during the year.

Its fortune is linked with the automobile industry which is passing through difficult phase.

Efforts are being made to cut the losses.

#### LEVERS FOR FUTURE DEMAND GROWTH

- Central Government's allocation of (approx Rs. 40,000 Cr) funds for Long Term Irrigation Fund (LTIF) and (approx Rs. 5,000 Cr) for setting up of MI Fund.
- Sanction of (Rs. 86,500 Cr) funds for the period of 5 years (2015-19) under PMKSY (Pradhan Mantri Krishi Sinchayi Yojna) to bring 3 million hectares of land under irrigation.
- India's projected polymer demand is estimated to be 24MMT by 2022/23
- Expected per capita consumption of 20 kg of plastics by the year 2020.
- Productivity growth will help India to sustain >8% growth
- Government's focus on Infrastructure, Sanitation, Irrigation and Drinking water facilities projects.



- Digital India/Smart cities projects /Swacch Bharat Abhiyan
- Upcoming affordable housing projects in rural / urban areas
- Continuously expanding end use of Plastic products in agriculture, industry & housing.
- State Governments are promoting Irrigation subsidy scheme.
- CPVC pipes are now being increasingly used by builders for entire plumbing solutions, replacing conventionally used cement or metal pipes.

### **RISK AND CONCERNS**

- v Government policy and allocation of amount towards central subsidy
- v High working capital requirement
- v Volatility in the price of PVC resin and foreign currency affecting the demand.
- v Low quality/spurious products remain a threat.
- v Availability of CPVC resin has been a key entry barrier.
- v Entry of large number of players into the segment.
- v Economic slowdown and reversal in CAPEX cycle.

### **BUSINESS STRATEGY**

Your Company is well established and recognized brand in Agri Segment. Your Company's focus is to increase the overall revenue by increasing the market share in existing markets and developing the new markets. Your Company aims to increase the share of revenue mix of Building Product segment.

Your Company is undertaking a systematic growth plan in Building Product segment by leveraging its strong brand image and offering the wide range of products with high quality and competitive prices.

Need based CAPEX plans for capacity expansion is being pursued by the company in phases with the latest equipment and infrastructure.

Your Company is looking to increase its competitiveness by focusing on innovation, by launching new products and service offerings, boosting R&D spend and investing in newer technologies

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

Regular internal audits are conducted and monthly compliances are being monitored against the original plan. Correction for the identified short comings and learning are being taken aggressively for improvements. Periodical Peer reviews are being done by internal as well as external experts.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Human Resource is considered as a key to the future growth strategy of the company and is looked upon with focus to further align human resource policies, processes and initiatives to meet its business needs. In order to focus on keeping employees abreast of technological developments, the Company provides adequate opportunity for training and learning.

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

### **CAUTIONARY STATEMENT**

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



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

To,

The Members,

Kriti Industries (India) Limited

34, Siyaganj, Indore (M.P.)

### Report on the Financial Statements:

We have audited the accompanying financial statements of **KRITI INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2017**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility:

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

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

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

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

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

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.



- 2) As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27.3 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2017.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 39 to the financial statements.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

**Indore**

**May 11<sup>th</sup>, 2017**





## Kriti Industries (India) Limited

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

The Annexure referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone financial statements to the members of **Kriti Industries (India) Limited** for the year ended 31<sup>st</sup> March 2017, we further report that :

- (i)
  - a. As informed to us, the Company has maintained proper records, on yearly basis, showing full particulars, including quantitative details and situation of fixed assets.
  - b. As informed to us, the management of the Company has done physical verification of certain fixed assets at reasonable intervals in accordance with programme of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets and no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company except the title deeds of the land acquired pursuant to the scheme of demerger in earlier year which are pending for registration in the name of the company.
- (ii) As informed to us, the inventory of the Company has been physically verified during the year by the management at reasonable intervals. Discrepancies noticed during the physical verification of stock were not material and have been properly dealt with in the books of accounts of the company.
- (iii) As per information and explanation given to us, the Company has granted unsecured loan to one (1) company covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. In respect of loan granted to the body corporate, the terms and conditions of the loans are prima facie not prejudicial to the interest of the company.
  - b. The terms of arrangement do not stipulate any repayment schedule and also the loan is repayable on demand. The borrower has been regular in the payment of interest as stipulated.
  - c. As there is no specified repayment schedule of the loan granted to the body corporate, the clause (iii) (c) of the order is not applicable to the company.
- (iv) As per information and explanation given to us, the Company has complied all provisions in respect of loans, investment and guarantees covered under section 185 to section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company neither accepted nor invited any deposits from public within the provision of Section 73 to 76 of Companies Act, 2013 and Rules made there under.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examinations of the records with a view to determine whether they are accurate or complete.
- (vii)
  - a. According to the information and explanation given to us, the Company has been generally regular in depositing undisputed dues relating to Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2017 for a period of more than 6 months from the date they became payable.
  - b. According to the information and explanations given to us, following dues of Income Tax, Sales Tax, Service Tax, duties of Customs, duties of Excise or Value Added Tax has not been deposited on account of any dispute :—



Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in Rs.)
Central Sales Tax	MP High Court	2005-06	7238189
Central Sales Tax	MP High Court	2006-07	1335795
Entry Tax	MP High Court	2007-08	1355843
Central Sales Tax	Appellate Board , Bhopal	2008-09	114553
Central Excise	Commissioner of Central Excise (Appeals)	2008-09 to 2012-13	1688478
Central Excise	Commissioner of Central Excise (Appeals)	2008-09	81000
Central Sales Tax	Appellate Board , Bhopal	2009-10	227206
M.P. Commercial Tax	Appellate Board , Bhopal	2009-10	741835
M.P. Commercial Tax	Appellate Board , Bhopal	2009-10	845026
Central Sales Tax	Appellate Board , Bhopal	2010-11	589001
M.P. Commercial Tax	Appellate Board , Bhopal	2010-11	3154351
Central Sales Tax	Appellate Board , Bhopal	2011-12	1587144
Central Excise	Commissioner of Central Excise (Appeals)	2011-12, 2012-13	7474000
M.P. Commercial Tax	Appellate Board , Bhopal	2011-12	4405077
Entry Tax	Appellate Board , Bhopal	2012-13	380439
Central Excise	Commissioner of Central Excise (Appeals)	2012-13	59568
M.P. Commercial Tax	Appellate Board , Bhopal	2012-13	892446
Central Excise	Commissioner of Central Excise (Appeals)	2012-13	79417
Central Excise	Commissioner of Central Excise (Appeals)	2012-13	30153
Central Excise	Commissioner of Central Excise (Appeals)	2012-13	2114692
Central Excise	Commissioner of Central Excise (Appeals)	2013-14	3216800
M.P. Commercial Tax	Appellate Board , Bhopal	2013-14	145746
Central Sales Tax	Deputy Commissioner	2013-14	735594
Central Excise	Commissioner of Central Excise (Appeals)	2014-15 , 2015-16	7517771
Central Sales Tax	Deputy Commissioner	2014-15	359934
M.P. Commercial Tax	Additional Commissioner , Indore	2014-15	49995
International Taxation & Transfer Pricing	Commissioner of Income Tax (Appeal), Ahemdabad	2014-15	499616
International Taxation & Transfer Pricing	Commissioner of Income Tax (Appeal), Ahemdabad	2015-16	457306

- (viii) According to information and explanations given to us by the management and according to the records of the company examined by us, we are of the opinion that the Company has not defaulted in repayment of any loan from Financial Institutions, Banks or debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us and based on documents provided to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. However, term loan availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained.
- (x) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on the company by its officers/employees or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation given to us, and based on documents provided to us, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- (xiii) According to the information and explanation given to us, and based on document provided to us, all transactions with the related parties are in compliance with section 188 & section 177 of the Companies Act 2013 where applicable and details of such transactions to the extent required has been disclosed in the financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with Directors or Persons connected with him.
- (xvi) In our opinion and according to explanations given to us, the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

**Indore**

**May 11<sup>th</sup>, 2017**



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

The Annexure referred to in paragraph 2(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone financial statements to the members of **Kriti Industries (India) Limited** for the year ended 31<sup>st</sup> March 2017.

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

We have audited the internal financial controls over financial reporting of **Kriti Industries (India) Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

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

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India ('ICAI').

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

**Indore**

**May 11<sup>th</sup>, 2017**

**KRITI INDUSTRIES (INDIA) LIMITED****KRITI INDUSTRIES (INDIA) LIMITED****Balance Sheet as at 31st March, 2017****(Rs. in Lacs)**

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	496.04	496.04
Reserves and Surplus	3	6546.54	5752.79
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1502.79	1953.07
Deferred tax liabilities (Net)	5	913.23	791.72
Other Long term liabilities	6	208.63	211.45
<b>Current Liabilities</b>			
Short-term borrowings	7	4068.29	3230.00
Trade payables	8	7531.80	7505.92
Other current liabilities	9	2010.10	1191.85
Short-term provisions	10	430.46	715.41
<b>Total</b>		<b>23707.88</b>	<b>21848.25</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	7416.20	5506.84
Intangible assets	12	31.33	26.61
Capital work-in-progress		2.44	362.59
Non-current investments	13	778.15	778.15
Long term loans and advances	14	170.41	162.22
Other non-current assets	15	104.60	70.13
<b>Current assets</b>			
Inventories	16	8095.98	6436.84
Trade receivables	17	3824.74	5231.45
Cash and bank balances	18	846.40	1019.97
Short-term loans and advances	19	1565.65	1656.76
Other current assets	20	871.98	596.69
<b>Total</b>		<b>23707.88</b>	<b>21848.25</b>

Significant accounting policies &amp; Notes to the accounts 1 - 45

As per Our Report of Even Date Attached  
For : **Rakesh Kumar & Associates**  
Chartered Accountants  
FRN: 002150C

For and on behalf of the Board of Directors

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

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

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

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

**Priyanka Gupta**  
(Company Secretary)

Place: Indore

Date:- 11<sup>th</sup> May, 2017


**KRITI INDUSTRIES (INDIA) LIMITED**
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2017**

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Revenue from operations</b>	21	40648.29	51587.27
less: Excise Duty		4176.40	5331.20
		36471.89	46256.07
Other Income	22	131.49	169.01
<b>Total Revenue</b>		<b>36603.38</b>	<b>46425.08</b>
<b>Expenses:</b>			
Cost of materials consumed		29374.23	36487.69
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(1057.30)	(86.66)
Employee benefit expense	23	1728.53	1693.43
Financial costs	24	1207.65	1585.06
Depreciation and amortization expense	11-12	480.25	404.71
Other expenses	25	3545.73	4394.11
<b>Total Expenses</b>		<b>35279.09</b>	<b>44478.34</b>
Profit before prior period expenses & tax		1324.29	1946.74
Prior Period Expenses ( Excise Duty paid)		0.00	15.09
<b>Profit before tax</b>		<b>1324.29</b>	<b>1931.65</b>
<b>Tax expense:</b>			
Current tax		359.00	640.00
Mat Credit		0.00	(2.08)
Excess Provision of Earlier Year Written Back		(43.57)	(4.36)
Deferred tax		121.50	129.01
<b>Profit/(Loss) for the year</b>		<b>887.36</b>	<b>1169.08</b>
<b>Earning per equity share:</b>			
(1) Basic		1.79	2.36
(2) Diluted		1.79	2.36

Significant accounting policies &amp; Notes to the accounts 1 - 45

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

 For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

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

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

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

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

**Priyanka Gupta**  
 (Company Secretary)

Place: Indore

 Date:- 11<sup>th</sup> May, 2017




**KRITI INDUSTRIES (INDIA) LIMITED**
**Cash Flow As On 31st March 2017**

(Rs. in Lacs)

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
<b>Net Profit before Tax</b>		<b>1324.29</b>		<b>1931.65</b>
<b>Adjustments for :</b>				
Depreciation	480.25		404.71	
(Profit)/ Loss on Sale of Fixed Assets	0.00		0.00	
Financial Income	(106.04)		(142.50)	
Financial Expense	1207.65	1581.86	1,585.06	1847.27
<b>Cash Operating Profit before working capital changes</b>		<b>2906.15</b>		<b>3778.92</b>
Increase / (Decrease) in Trade Payables	(67.73)		539.18	
Increase / (Decrease) in Short term Provisions	(600.39)		(46.22)	
Increase / (Decrease) in Other Current Liabilities	818.25		(180.32)	
(Increase) / Decrease in Inventories	(1659.14)		77.42	
(Increase) / Decrease in Trade Receivables	1406.70		(2541.36)	
(Increase) / Decrease in Long term Loans & Advances	(8.19)		(30.60)	
(Increase) / Decrease in Other Non Current Assets	(34.47)		47.86	
(Increase) / Decrease in Short term Loans & Advances	91.11		(407.74)	
(Increase) / Decrease in Other Current Assets	(27.87)		308.90	
		<b>(81.72)</b>		<b>(2232.88)</b>
<b>Tax Paid</b>		<b>(247.41)</b>		<b>(292.00)</b>
<b>Net Cash From Operating Activities (A)</b>		<b>2577.02</b>		<b>1254.04</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	106.04		142.50	
Sale Proceed Of Fixed Assets (Net)	69.51		0.00	
Purchase of Fixed Assets	(2103.68)		(864.24)	
Investment in Fixed Deposits having maturity of more than three months	187.03		(199.94)	
(Increase) / Decrease in Non Current Investment	0.00		0.00	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(1741.10)</b>		<b>(921.68)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	900.00		1150.00	
Repayment of Long Term Borrowings	(1350.28)		(615.46)	
Net Increase / (Decrease) in Long Term Borrowings	(450.28)		534.54	
Increase / (Decrease) in Other Long Term Liability	(2.82)		9.36	
Increase / (Decrease) in Short Term Borrowings	838.29		822.97	
Dividend Paid on Equity Shares	0.00		(89.28)	
Dividend Distribution Tax Paid	0.00		(18.18)	
Financial Expenses	(1207.65)		(1585.06)	



## KRITI INDUSTRIES (INDIA) LIMITED

### Cash Flow As On 31st March 2017

(Rs. in Lacs)

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Amount	Amount	Amount	Amount
Net Cash Used In Financing Activities (C)		(822.46)		(325.65)
Net Decrease In Cash and Cash Equivalents (A + B + C)		13.46		6.17
Add : Cash and Cash equivalents - Opening - 1st April		8.86		2.15
Cash and cash equivalents - Closing - 31st March		22.32		8.86

#### FOOTNOTE TO CASH FLOW STATEMENT:

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

(Rs. in Lacs)

Particulars	2016-17	2015-16
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	19.16	4.96
Cash on hand	3.16	3.90
<b>Total of Cash &amp; Cash Equivalent</b>	<b>23.32</b>	<b>8.86</b>

(Rs. in Lacs)

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

Particulars	2016-17	2015-16
Cash and cash equivalents as above	22.32	8.86
Add : Other Cash and Bank Balances		
Unpaid Dividend	16.86	13.55
Fixed Deposit account maturity more than 3 month & less than 12 month	807.22	997.56
<b>Cash and Bank Balances classified as Current (Refer Note No. 18)</b>	<b>846.40</b>	<b>1019.97</b>

Significant accounting policies &amp; Notes to the accounts 1 - 45

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M.No. 070906

**Shiv Singh Mehta**

(Managing Director)

DIN 00023523

**Purnima Mehta**

(Executive Director)

DIN 00023632

**V. K. Mittal**

(Chief Financial officer)

**Priyanka Gupta**

(Company Secretary)

Place: Indore

Date:- 11<sup>th</sup> May, 2017

**NOTES - 1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2017**

**Kriti Industries (India) Ltd.**, a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 12<sup>th</sup> March, 1990 and having its Registered office in Indore (MP). The company's shares are listed in the Bombay Stock Exchange(BSE).

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

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

**1.2.2 Use of Estimates**

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

**1.2.3 Fixed assets and depreciation**

The company has adopted cost model as prescribed in Accounting Standard AS-10 (Revised) "Property, Plant & Equipment".

**Recognition**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the enterprise; and
- (b) the cost of the item can be measured reliably.

**Subsequent Cost**

The Company recognizes in the carrying amount of an item of Property, Plant & Equipment, the cost of replacing a part of an item, when that cost is incurred provided the recognition criteria as mentioned above are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provisions mentioned in the Accounting Standard. The cost of day to day servicing of an item of Property, Plant & Equipment is recognized in the Statement of Profit & Loss as and when incurred.

**Measurement**

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**

Depreciation is provided on the straight-line method ('SLM'). The technical estimates of useful life are in confirmatory with those prescribed in Schedule II of the Companies Act, 2013.

Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.

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

The depreciation on the assets capitalized/sold during the year is charged on prorata basis.

**Capital Work in Progress**

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the Balance Sheet date. Advances paid for Capital Assets are not considered as Capital Work-in-Progress but classified as Long Term Advances.

The relevant change in the Accounting Policy of the Company is mentioned in Note No.38

**1.2.4 Impairment of Assets**

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

**1.2.5 Investments**

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

**1.2.6 Inventories**

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

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

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



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

#### 1.2.7 Revenue recognition

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Value Added Tax.
- (b) Dividend income is recognized when the right to receive the dividend is established.

#### 1.2.8 Employee Benefits

##### (a) Short Term Employee Benefits

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

##### (b) Post-Employment Benefits:-

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

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

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

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

#### 1.2.9 Foreign Currency Transactions

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

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate/ forward contract booked (if any) and the resultant exchange differences are recognized in the profit and loss account.

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

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.

#### 1.2.10 Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of the Companies (Accounts) Rules, 2014.

#### 1.2.11 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement Minimum Alternative Tax (MAT). Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal one or more subsequent periods.

#### 1.2.12 Earning Per Share

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

#### 1.2.13 Provisions for contingencies

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

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

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

Contingent assets are not recognized in the financial statements.


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

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE NO. 2 SHARE CAPITAL</b>		
<b>2.1 AUTHORIZED</b>		
2.1.1 80000000 Equity Shares of Rs. 1/- each	800.00	800.00
2.1.2 2000000 Optional convertible Preference Shares of Rs. 10/- each	200.00	200.00
<b>2.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
2.2.1 49603520 equity shares of Rs. 1/- each fully paid up. Which are issued as fully paid up shares on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench.		
2.2.2 Reconciliation of shares		
2.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each	496.04	496.04
2.2.2.2 Issued during the year	0.00	0.00
2.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	496.04	496.04
The company has issued only one class of shares referred to as equity shares having a par value of Rs. 1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
<b>2.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>2.3.1 SAKAM TRADING PRIVATE LIMITED</b>		
No. of Shares	25843673	25843673
Percentage of Shares	52.10%	52.10%
Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt. Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd. and Shipra Pipes Pvt.Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt.Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.2012 of Kriti Industries (I) Ltd.		
<b>2.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
No. of Shares	4469258	4469258
Percentage of Shares	9.01%	9.01%
<b>NOTE NO. 3 RESERVES &amp; SURPLUS</b>		
<b>3.1 RESERVES</b>		
<b>3.1.1 General Reserve</b>		
3.1.1 Opening Balance	2900.00	2700.00
3.1.2 Add: Transfer from P&L	200.00	200.00
3.1.3. Add: Transfer from Contingence Reserve	75.00	0.00
3.1.3 Closing Balance	<b>3175.00</b>	<b>2900.00</b>
<b>3.2 SHARE PREMIUM ACCOUNT</b>		
3.2.1 Opening Balance	466.14	466.14
3.2.2 Add: Transfer from P&L	0.00	0.00
3.2.3 Closing Balance	<b>466.14</b>	<b>466.14</b>
<b>3.3 Contingency Reserve</b>		
3.3.1 Opening Balance	75.00	75.00
3.3.2 Add: Transfer from P&L	0.00	0.00
3.3.3. Less: Transfer to General Reserve	(75.00)	0.00
3.3.3 Closing Balance	<b>0.00</b>	<b>75.00</b>
<b>3.4 SHARE FOREFEITURE ACCOUNT</b>		
3.4.1 Opening Balance	2.73	2.73
3.4.2 Add: Transfer from P&L	0.00	0.00
3.4.3 Closing Balance	2.73	2.73



# KRITI INDUSTRIES (INDIA) LIMITED

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

(Rs. in Lacs)

Particulars					As at 31.03.2017	As at 31.03.2016
3.5 SURPLUS						
3.5.1 Statement of Profit & Loss						
3.5.1.1 Opening Balance					2308.92	1447.30
3.5.1.2 Add Profit & Loss during the period					887.36	1169.08
					3196.28	2616.38
Less:						
3.5.2 Interim Dividend Rs. NIL (Previous year @ Rs. 0.18 per share )					0.00	89.28
3.5.3 Corporate Dividend Tax					0.00	18.18
3.5.4 Transferred to General Reserve					200.00	200.00
Balance in Surplus					2996.28	2308.92
3.6 Exchange Fluctuation Reserve (created this year)					(93.61)	0.00
Total					6546.54	5752.79
NOTE NO. 4 LONG TERM BORROWINGS						
4.1 TERM LOAN						
( Installment due within 12 months shown in Current Liabilities )						
4.1.1 SECURED						
4.1.1.1 From Banks (Term of Repayments of Long Term Borrowings)						
Particulars	Total Tenture	No. of Installment Payable as on 31.03.2017	Last Installment due on	Rate of Interest	As at 31.03.2017	As at 31.03.2016
IDBI Bank Ltd.	20 Quarterly Installment	13	1st June, 2020	13.50%	252.00	412.00
State Bank of Hyderabad	20 Quarterly Installment	8	31st March, 2019	13.00%	102.31	199.83
COSMOS Bank	60 Monthly Installment	30	30th September, 2019	11.65%	348.48	591.24
HDFC Bank Ltd.	32 Quarterly Installment	20	31st March, 2022	11.50%	800.00	750.00
			Total		1502.79	1953.07
4.1.2 UNSECURED						
4.1.2.1 From Banks Term of Repayment of Long Term Borrowings						
Particulars	Total Tenture	No. of Installment Payable as on 31.03.2017	Last Installment due on	Rate of Interest	As at 31.03.2017	As at 31.03.2016
YES Bank	3 Installment Last 3 Month	3	31 <sup>st</sup> December, 2017	10.35%	0.00	0.00
(Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director )						
NOTE NO-5 DEFERRED TAX LIABILITY NET						
5.1 Deferred Tax Liability (Net)						
On account of tax effects on timing difference arising due to difference in Depreciation					913.23	791.72
Total					913.23	791.72
NOTE NO -6 OTHER LONG TERM LIABILITIES						
UNSECURED						
6.1.1 Other Loans and advances (Security Deposit received from dealers)					208.63	211.45
Total					208.63	211.45
NOTE NO -7 SHORT TERM BORROWINGS						
7. 1 Loans repayable on Demand						
7.1.1 SECURED						
From banks					2922.29	1945.25
(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 )						
7.1.2 UNSECURED						
7.1.2.1 From banks					1000.00	1000.00
7.1.2.2 Loan & Deposit from Related Parties					146.00	
Total					284.75	
					4068.29	3230.00
NOTE NO -8 TRADE PAYABLES						
8.1 Trade Payables					7531.80	7505.92
Total					7531.80	7505.92
NOTE NO -9 OTHER CURRENT LIABILITIES						
9.1 Outstanding Expenses					96.74	114.83
9.2 Statutory Liabilities					568.18	498.99
9.3 Current maturities of Long term debt					1328.32	564.48
9.4 Unpaid dividends					16.86	13.55
Total					2010.10	1191.85
NOTE NO -10 SHORT TERM PROVISIONS						
10.1 Provision for Employees Benefits (Bonus)					71.46	77.49
10.2 Provision of Income Tax					359.00	637.92
Total					430.46	715.41



# KRITI INDUSTRIES (INDIA) LIMITED

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

(RS . IN LACS)

NOTE NO. -11-12 FIXED ASSETS (2016-17)

NOTE	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	NET BLOCK		
		01.04.2016	Additions	Deduction	TOTAL	01.04.2016	Accum Dep on Disposal Assets	For Year	Written back	TOTAL	31.03.2017	31.03.2016
11	TANGIBLE											
11.1	Land	116.88	119.15	0.00	236.03	0.00	0.00	0.00	0.00	0.00	236.03	116.88
11.2	Factory Building	1339.93	516.02	0.00	1855.95	404.03	0.00	48.03	0.00	452.06	1403.89	935.90
11.3	Plant & Machinery	6229.10	1357.25	249.22	7337.13	2265.26	0.00	240.03	179.71	2325.58	5011.55	3963.85
11.4	Testing & Lab Machinery	198.60	13.31	0.00	211.91	170.89	0.00	4.99	0.00	175.87	36.03	27.71
11.5	Electrical Installation	265.10	257.22	2.02	520.30	78.80	0.00	39.39	2.02	116.17	404.13	186.29
11.6	Dies & Moulds	1374.66	144.44	0.00	1519.10	1164.39	0.00	115.71	0.00	1280.10	239.00	210.28
11.7	Vehicles	55.50	0.00	13.05	42.45	31.15	0.00	4.74	13.05	22.84	19.60	24.35
11.8	Furniture & Fixture	77.96	0.56	0.00	78.52	65.70	0.00	3.98	0.00	69.68	8.82	12.26
11.9	Office Equipment	27.69	3.83	0.00	31.52	13.55	0.00	5.20	0.00	18.75	12.77	14.13
11.10	COMPUTER	119.35	37.62	0.00	156.97	104.13	0.00	8.45	0.00	112.58	44.38	15.21
	TOTAL (11)	9804.76	2449.40	264.29	11989.88	4297.90	0.00	470.52	194.78	4573.62	7416.20	5506.84
	Previous Year	9003.87	843.29	42.40	9804.76	3944.54	42.40	395.76	0.00	4297.90	5506.84	5059.34
12	INTANGIBLE											
12.1	Software	131.65	14.45	0.00	146.10	105.04	0.00	9.73	0.00	114.77	31.33	26.61
	TOTAL (12)	131.65	14.45	0.00	146.10	105.04	0.00	9.73	0.00	114.77	31.33	26.61
	Previous Year	123.81	7.84	0.00	131.65	96.09	0.00	8.95	0.00	105.04	26.61	27.72
	GRAND TOTAL (11+12)	9936.41	2463.85	264.29	12135.98	4402.94	0.00	480.25	194.78	4688.39	7447.53	5533.46
	Previous Year	9127.68	851.13	42.40	9936.41	4040.63	42.40	404.71	0.00	4402.94	5533.45	5087.06





## KRITI INDUSTRIES (INDIA) LIMITED

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

(Rs. in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE NO. 13 NON- CURRENT INVESTMENT</b>		
13.1.1 National Saving Certificate	0.14	0.14
13.2 Unquoted		
<b>Non Trade Investment in equity instruments</b>		
13.2.1 Sahkari Audhyogik Vasahat Ltd. (1 Share of Rs.500/- each)	0.01	0.01
13.2.2 The Cosmos Co-operative Bank Ltd. (1000 Equity Shares of Rs. 100/- each)	1.00	1.00
<b>Trade Investment in equity instruments</b>		
13.2.3 Kriti Auto Engineering & Plastics Private Limited ( 100% Subsidiary ) (3885000 Shares of Rs.10/- each )	777.00	777.00
<b>Total</b>	<b>778.15</b>	<b>778.15</b>
<b>NOTE NO. 14 LONG TERM LOANS AND ADVANCES</b>		
14.1 Security Deposits	170.41	162.22
<b>Total</b>	<b>170.41</b>	<b>162.22</b>
<b>NOTE NO. 15 OTHER NON CURRENT ASSETS</b>		
15.1 Fixed deposit with banks having maturity more than 12 months	4.60	0.13
15.2 Deposit to wholly owned subsidiary company	100.00	70.00
<b>Total</b>	<b>104.60</b>	<b>70.13</b>
<b>NOTE NO. 16 INVENTORIES</b>		
16.1 Raw Material	2339.56	1860.81
16.2 Finished Goods	5271.46	4214.16
16.3 Stores and Spares & others	484.96	361.87
<b>Total</b>	<b>8095.98</b>	<b>6436.84</b>
<b>NOTE NO. 17 TRADE RECEIVABLES</b>		
17.1 Trade Receivables ( Unsecured considered good ) Over Six months from the date they become due	618.73	539.51
Others	3206.01	4691.94
<b>Total</b>	<b>3824.74</b>	<b>5231.45</b>
<b>NOTE NO. 18 CASH AND BANK BALANCES</b>		
18.1 Cash & Cash Equivalents		
18.1.1 Balances with Banks	19.16	4.96
18.1.2 Cash on hand	3.16	3.90
18.2 Other Bank Balances		
18.2.1 Unpaid dividend	16.86	13.55
18.2.2 Fixed deposit with banks against margin money	807.22	997.56
<b>Total</b>	<b>846.40</b>	<b>1019.97</b>
<b>NOTE NO. 19 SHORT-TERM LOANS AND ADVANCES</b>		
19.1 Unsecured, Considered good	1565.65	1656.76
Advances recoverable in cash or kind or for value to be received		
<b>Total</b>	<b>1565.65</b>	<b>1656.76</b>
<b>NOTE NO.20 OTHER CURRENT ASSETS</b>		
20.1 Sundry Deposits	20.45	21.15
20.2 Advance Tax/ Tax Deducted at source	425.84	458.12
20.3 CENVAT	404.67	96.71
20.4 Accrued Interest/ Income	21.02	20.71
<b>Total</b>	<b>871.98</b>	<b>596.69</b>



# KRITI INDUSTRIES (INDIA) LIMITED

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

(Rs. in Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE NO. 21 REVENUE FROM OPERATIONS</b>		
21.1 Sale of Products	40626.08	51552.02
21.2 Other operating revenues	22.21	35.25
	40648.29	51587.27
21.3 less: Excise Duty	4176.40	5331.20
<b>Total</b>	<b>36471.89</b>	<b>46256.07</b>
<b>NOTE-22 OTHER INCOME</b>		
22.1 Interest Income	106.04	142.50
22.2 Dividend Income	0.08	0.00
22.3 Other Non-operating Income	25.37	26.51
<b>Total</b>	<b>131.49</b>	<b>169.01</b>
<b>NOTE-23 EMPLOYEE BENEFITS EXPENSES</b>		
23.1 Salaries & Wages	1430.36	1276.27
23.2 Contribution to provident and other fund	85.86	85.68
23.3 Staff Welfare Expenses	96.52	185.22
23.4 Director Remuneration	109.13	140.50
23.5 P.F on Director Remuneration	6.66	5.76
<b>Total</b>	<b>1728.53</b>	<b>1693.43</b>
<b>NOTE-24 FINANCIAL COST</b>		
24.1 Interest Expenses	1023.16	1295.44
24.2 Other Borrowing Cost	184.49	289.62
<b>Total</b>	<b>1207.65</b>	<b>1585.06</b>
<b>NOTE-25 OTHER EXPENSES</b>		
<b>(I) Manufacturing Expenses</b>		
25.1 Stores and Spares Consumed	256.29	314.80
25.2 Power Charges	1148.10	1302.58
25.3 Freight & Cartage	285.93	355.06
25.4 Repairs & Maintenance	133.55	81.93
25.5 Insurance Charges	22.64	29.61
25.6 Water Charges	16.33	17.11
25.7 Loss on Sale of Fixed asset	65.34	0.00
25.8.1 Excise Duty on Closing Stock	477.33	390.51
25.8.2 Excise Duty on Opening Stock	(390.51)	(390.63)
25.9 Job Work Charges	127.79	159.32
25.10 Miscellaneous Manufacturing Expenses	63.04	50.67
<b>Sub Total (I)</b>	<b>2205.83</b>	<b>2310.96</b>
<b>(II) Administrative Expenses</b>		
25.11 Stationery & Printing	4.20	5.98
25.12 Computer Expense	11.41	12.52
25.13 Rent, Rates and Taxes	65.49	75.94
25.14 Postage, Telegram and Telephones	21.74	25.40
25.15 Auditor's Fees	2.50	2.00
25.16 Conveyance Expenses	56.94	69.54
25.17 Legal & Professional Charges	100.19	69.85
25.18 Miscellaneous Expenses	46.77	51.43
25.19 Director's Meeting Fee	2.48	0.18
25.20 Net loss on foreign currency transactions	5.10	15.18
25.21 Corporate Social Responsibility	34.24	5.75
<b>Sub Total (II)</b>	<b>351.06</b>	<b>333.77</b>
<b>(III) Selling &amp; Distribution Expenses</b>		
25.22 Advertisement & Publicity	2.19	3.20
25.23 Sales Promotion Expenses	226.21	149.37
25.24 Brokerage & Commission	20.04	26.28
25.25 Service Charges	143.02	190.39
25.26 Freight Outward	455.52	1105.24
25.27 Sales Tax & Octroi	0.10	8.32
25.28 Travelling Expenses	141.76	166.38
25.29 Bad debts	0.00	100.20
<b>Sub Total (III)</b>	<b>988.84</b>	<b>1749.38</b>
<b>TOTAL (I+II+III)</b>	<b>3545.73</b>	<b>4394.11</b>



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

**27 Contingent liabilities**

**27.1** Estimated amount of contracts remaining to be executed on Capital Account Rs.136.19 Lakhs net of advance given (Previous Year Rs. 76.01 Lakhs)

**27.2** Bank has given guarantee on behalf of the Company to various parties to the extent of Rs. 694.99 Lakhs (Previous Year Rs. 2232.91 Lakhs.)

**27.3** Claims not acknowledge by the company on Commercial tax matters Rs 241.58 Lakhs (Previous Year 244.19 Lakhs).

- 28 Company's Income tax assessments have been completed up to Assessment year 2015-16, against which company has filed appeal before Higher Authorities. In the opinion of Board of Director's provision made for the year for Income Tax is adequate.

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

(Rs. In Lacs)

Paid / Payable	Current Year	Previous year
Remuneration	73.79	64.26
Commission	42.00	82.00

- 30 Unpaid overdue amount due on March 31, 2016 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to Rs. Nil.

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

- 31 The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is Rs.(5.10) lacs (Previous Year gain/ (loss) Rs. (15.18) lacs).

**32 Corporate Social Responsibility**

(Rs. in Lacs)

Particulars	2016-17	2015-16
Amount required to be spent	21.17	13.46
Amount spent during the year	34.24	5.75

- 33 During the year ended 31.03.2017 excise duty on closing stock amounting to Rs. 86.82 Lakhs is net off excise duty on opening stock (Rs.477.33 Lakhs minus Rs.390.51).

- 34 The disclosure required as per Accounting Standard (AS) 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India ('ICAI') and as specified under section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014., and based on the report generated by Life Insurance Corporation of India (LIC) is as under

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

(Rs. in Lacs)

(b) Table showing changes in present value of obligations as on	31/03/2017	31/03/2016
Present value of obligations as at beginning of the year	132.37	112.31
Interest Cost	10.59	8.99
Current Service Cost	16.34	17.04
Benefit Paid	(6.29)	(6.72)
Actuarial (gain)/loss on obligations	(3.08)	0.75
Present Value obligations as at end of the year	149.93	132.37
(c) Table showing changes in the fair value of plan assets as on	31/03/2017	31/03/2016
Present value of obligations as at beginning of the year	152.16	139.67
Expected return on plan assets	12.31	12.30
Contribution	10.27	6.91
Benefit Paid	(6.29)	(6.72)
Actuarial gain/(loss) on plan assets	NIL	NIL
Fair Value of the plan assets at the end of the year	168.44	152.16



## KRITI INDUSTRIES (INDIA) LIMITED

<b>(d) Table showing fair value of plan assets as on</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
Fair value of plan assets at beginning of the year	152.16	139.67
Actual return on plan assets	12.31	12.30
Contribution	10.27	6.91
Benefit Paid	(6.29)	(6.72)
Fair Value of the plan assets at the end of the year	168.44	152.16
Funded status	18.51	19.79
Excess of actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return = estimated rate of return as ARD falls on 31/03/2017)		
<b>(e) Actuarial Gain/Loss recognized as on</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
Actuarial (Gain)/Loss for the year-obligation	(3.08)	(0.75)
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Total (Gain)/Loss for the year	(3.08)	0.75
Actuarial (Gain)/Loss recognized for the year	(3.08)	0.75
<b>(f) Expenses recognized in statement of profit and loss</b>	<b>31/03/2017</b>	<b>31/03/2016</b>
Current Service Cost	16.34	17.04
Interest cost	10.59	8.99
Expected return on Plan Asset	(12.31)	(12.30)
Net Actuarial (Gain)/Loss recognized in the year	(3.08)	0.75
Expenses recognized in the Statement of Profit & Loss	11.54	14.47
<b>(g) Assumption</b>		
Discount rate	8%	8%
Salary Escalation	7%	7%

### 35 DEFERRED TAX CALCULATIONS

(Rs. in Lacs)

Sr. No.	DEFERRED TAX LIABILITY/ (ASSETS)	Current Year	Previous Year
a	Deferred Tax Liability (Net) for the year	121.50	129.01
b	Opening Bal. of Deferred Tax Liability	791.72	662.71
c	Closing Bal. of Deferred Tax Liability	913.23	791.72

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

**37** The Company has only one Business Segment to be reported namely Plastics, as per Accounting Standard - 17.

#### **38 Changes in Accounting Policy**

The Ministry of Corporate Affairs, Government of India has vide Notification No. G.S.R. 364(E) dated 30.03.2016 amended Accounting Standard (AS 4)- "Contingencies and Events Occurring After the Balance Sheet Date" and has substituted Accounting Standard (AS 10)- "Property, Plant & Equipment" in place of the existing Accounting Standard (AS-10)- "Fixed Assets", together with consequential amendments in other Accounting Standards. These amended/substituted Accounting Standards have become mandatory for accounting periods commencing from 01.04.2016.

In view of the Revised Accounting Standards AS 10 – "Property, Plant & Equipment" and AS 4- Contingencies and Events Occurring After the Balance Sheet Date", the Company has made following changes to its Accounting Policies;

##### **AS 10- "Property, Plant & Equipment"**

In view of the recognizing the subsequent cost in the carrying amount of an item of Property, Plant & equipment, the cost of replacing a part of an item, when that cost is incurred provided the recognition criteria, the cost of major expenditure which hitherto has been recognized as Repairs & Maintenance is now recognized as Property, Plant & Equipment. Accordingly, repairs & maintenance cost of Rs. 36.75 Lakhs incurred during the year has been capitalized. The amount of depreciation charged on such assets is Rs. 0.98 Lakh for the year. Due to the said change in the Accounting Policy, the Fixed Assets is over stated by Rs. 35.77 Lakhs and Profit for the year is overstated by Rs. 35.77 Lakhs.

##### **AS 4- Contingencies and Events Occurring After the Balance Sheet Date"**

No provision has been made for Dividend proposed for the year ended on 31st March 2017 amounting to Rs. 89.56 Lakhs including Corporate Dividend Tax of Rs. 15.15 Lakhs. Due to the said change in the Accounting Policy, the Reserves & Surplus is overstated and the Short Term Provisions are understated to that extent.



**39** Disclosure in respect of Specified Bank Notes held and transacted as per Notification no G.S.R. 308(E) dated 30.03.2017

Particulars	SBNs Denomination	SBNs Amount	Other Denomination Notes Amt.	Total Amount
Closing cash in hand as on 08-11-2016	1000	1,000		
	500	823000		
	Total	824000	124861	948861
(+) Permitted receipts		-	810000	810000
(-) Permitted payment		-	729409	729409
(-) Amount Deposit in banks	1000	1000		
	500	823000		
	Total	824000	-	824000
Closing cash in hand as on 30-12-2016			296878	296878

**40 EARNING PER SHARE**

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

Sr. No.	Particulars	Current Year	Previous Year
1	Number of Shares	49603520	49603520
2	Profit contribution for Basic EPS (Rs in lacs)	887.36	1169.08
3	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)	Nil	Nil
4	Basic Earning Per Share	1.79	2.36
5	Diluted Earning Per Share	1.79	2.36
6	Nominal Value Per Share	1.00	1.00

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

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

**i. Key Management Personnel:**

Shri Shiv Singh Mehta, Managing Director  
Smt. Purnima Mehta, Executive Director  
Shri V.K. Mittal, Chief Financial Officer  
Smt. Priyanka Gupta, Company Secretary

**ii. Relatives of Key Management Personnel**

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

**iii. Subsidiary Company**

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

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

1) Sakam Trading Pvt. Ltd. (Holding Company)  
2) Kriti Nutrients Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)  
3) Chetak Builders Pvt. Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)  
4) Sakam Charitable Trust, Indore



## KRITI INDUSTRIES (INDIA) LIMITED

The following transaction were carried out with the related parties in the ordinary course of business (Rs. in Lacs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1	DEPB License purchased	NIL (NIL)	NIL (NIL)	NIL (NIL)	180.13 (294.60)
2	Sale of Consumable Items	NIL (0.25)	NIL (NIL)	NIL (NIL)	99.75 (132.82)
3	Purchase of Consumable Items	1.11 (NIL)	NIL (NIL)	NIL (NIL)	1.37 (0.13)
4	Purchase of Capital Goods	21.70 (17.19)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Remuneration	NIL (NIL)	142.44 (168.51)	8.80 (11.32)	NIL (NIL)
6	Rent Paid	0.70 (1.00)	NIL (NIL)	NIL (NIL)	13.46 (10.38)
7	Unsecured Loan Given	606.00 (183.40)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	NIL (NIL)	216 (NIL)	NIL (NIL)	313.5 (209)
8	Interest Taken	12.90 (13.26)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9	Interest Given	NIL (NIL)	3.56 (2.31)	NIL (NIL)	17.82 (23.77)
10	CSR Expenses	NIL (NIL)	NIL (NIL)	NIL (NIL)	25.00 (NIL)

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

	Particulars	31.03.2017		31.03.2016	
a	Value of Import on C.I.F. basis				
	i. Raw Material	7148.00		5550.51	
	ii. Components & Spare Parts (Chemical)	180.22		14.02	
b	Value of imported the total consumption materials consumed and percentage of Raw Material	Value	%	Value	%
	i. Imported	8152.48	27.75%	6576.97	18.02%
	ii Indigenous	21221.75	72.25%	29910.72	81.98%
	Stores				
	i. Imported	4.48	1.75%	16.39	5.21%
	ii Indigenous	251.81	98.25%	298.41	94.79%
c	Earning in foreign Currency	Nil		Nil	
d	Expenditure in Foreign currency				
	i. Interest	3.17		0.99	
	ii Others	0.79		4.45	

**43 Auditor's Remuneration**

(Rs. in Lacs)

Sr. No.	Auditor's Remuneration	31.03.2017	31.03.2016
a	Statutory Audit Fees / Tax Audit Fees	2.50	2.00
b	Taxation & Other matters including Legal & Professional Expenses.	0.25	NIL

Figures are exclusive of Service Tax

**44 Detail of Raw Material Consumption and Sales**

(Rs. in Lacs)

PARTICULARS	CONSUMPTION	PARTICULARS	SALES
<b>RAW MATERIAL</b>		<b>MANUFACTURED PRODUCT</b>	
PLASTIC POLYMERS	25747.10 ( 31534.17)	PVC/HDPE PIPE/DUCT	33965.36 (43677.39)
OTHERS	3627.13 (4953.52)	PVC FITTING	2210.46 (1967.27)
<b>TOTAL</b>	<b>29374.23</b> <b>(36487.69)</b>	OTHERS	396.07 ( 611.41)
		<b>TOTAL</b>	<b>36471.89</b> <b>( 46256.07)</b>

**45** Previous year figures have been reclassified / regrouped wherever necessary.

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M.No. 070906

**Shiv Singh Mehta**

(Managing Director)

DIN 00023523

**Purnima Mehta**

(Executive Director)

DIN 00023632

**V. K. Mittal**

(Chief Financial officer)

**Priyanka Gupta**

(Company Secretary)

Place: Indore

Date:- 11th May, 2017





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

To,

The Members,

Kriti Industries (India) Limited

34, Siyaganj, Indore (M.P.)

**Report on the Consolidated Financial Statements:**

We have audited the accompanying consolidated financial statements of **KRITI INDUSTRIES (INDIA) LIMITED** ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at **March 31, 2017**, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

**Auditor's Responsibility:**

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

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

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

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

**Opinion:**

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



31st March, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

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

- 1) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding company and its subsidiary as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors of the Group is disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 27.3 to the consolidated financial statements.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31st March 2017.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 30 to the consolidated financial statements.

For **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

**Rakesh Kumar Gupta**

Partner

M. No: 070906

Indore

May 11<sup>th</sup>, 2017

**"Annexure A" to the Auditor's Report**

The Annexure referred to in paragraph 1(f) under "Report on other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the consolidated financial statements to the members of Kriti Industries (India) Limited for the year ended 31<sup>st</sup> March 2017.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of **KRITI INDUSTRIES (INDIA) LIMITED** ("the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Rakesh Kumar & Associates**

Chartered Accountants (FRN: 002150C)

**Rakesh Kumar Gupta**

Partner (M. No: 070906)

Place : Indore

Date : May 11<sup>th</sup>, 2017


**KRITI INDUSTRIES (INDIA) LIMITED**
**Consolidated Balance Sheet as at 31.03.2017**

(Rs. in Lacs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	496.04	496.04
Reserves and Surplus	3	6225.26	5485.06
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1502.79	1953.07
Deferred tax liabilities (Net)	5	993.80	872.55
Other Long term liabilities	6	208.63	211.45
<b>Current Liabilities</b>			
Short-term borrowings	7	4340.70	3507.54
Trade payables	8	8088.43	7809.74
Other current liabilities	9	2077.99	1239.71
Short-term provisions	10	433.59	718.63
<b>Total</b>		<b>24367.23</b>	<b>22293.79</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	7879.11	6016.02
Intangible assets	12	31.33	26.61
Capital work-in-progress		2.44	362.59
Non-current investments	13	2.15	2.15
Long term loans and advances	14	186.66	178.48
Other non-current assets	15	4.60	0.13
<b>Current assets</b>			
Inventories	16	8431.37	6734.23
Trade receivables	17	4516.58	5669.78
Cash and bank balances	18	859.54	1032.41
Short-term loans and advances	19	1570.16	1664.63
Other current assets	20	883.29	606.76
<b>Total</b>		<b>24367.23</b>	<b>22293.79</b>

Significant accounting policies &amp; Notes to the accounts 1 - 34

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

 For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

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

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

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

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

**Priyanka Gupta**  
 (Company Secretary)

Place: Indore

 Date:- 11<sup>th</sup> May, 2017

**KRITI INDUSTRIES (INDIA) LIMITED****KRITI INDUSTRIES (INDIA) LIMITED**

CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31.03.2017

(Rs. in Lacs)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue From Operations	21	43224.17	53530.86
Less:			
Less : Excise Duty		4468.41	5553.78
Other Income	22	38755.76 142.58	47977.08 171.05
<b>Total Revenue</b>		<b>38898.34</b>	<b>48148.13</b>
Expenses:			
Cost of Materials Consumed		31069.02	37744.21
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		(1058.92)	(105.96)
Employee Benefit Expense	23	1891.60	1844.06
Financial Costs	24	1270.14	1659.09
Depreciation And Amortization Expense	11-12	512.95	442.28
Other Expenses	25	3947.15	4716.49
<b>Total Expenses</b>		<b>37631.94</b>	<b>46300.16</b>
<b>Profit Before Prior Period Expenses &amp; Tax</b>		<b>1266.40</b>	<b>1847.96</b>
Prior Period Expenses ( Excise Duty Paid)		0.00	15.09
<b>Profit Before Tax</b>		<b>1266.40</b>	<b>1832.87</b>
<b>Tax Expense:</b>			
Current Tax		359.00	640.00
Mat Credit		0.00	(2.08)
Excess Provision Of Earlier Year Written Back		(47.65)	(4.36)
Deferred Tax		121.24	123.70
<b>Profit/(loss) For The Year</b>		<b>833.81</b>	<b>1075.61</b>
Earning Per Equity Share:			
(1) Basic		1.68	2.17
(2) Diluted		1.68	2.17

Significant accounting policies &amp; Notes to the accounts 1 - 34

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

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

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

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

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

**Priyanka Gupta**  
(Company Secretary)

Place: Indore

Date:- 11<sup>th</sup> May, 2017



# KRITI INDUSTRIES (INDIA) LIMITED

## CONSOLIDATED CASH FLOW AS ON 31.03.2017

(Rs. in Lacs)

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
Net Profit before Tax		1266.40		1832.87
Adjustments for :				
Depreciation	512.95		442.28	
(Profit)/ Loss on Sale of Fixed Assets	0.00		0.00	
Financial Income	(107.42)		(171.17)	
Financial Expense	1270.14	1675.67	1,659.09	1930.20
<b>Cash Operating Profit before working capital changes</b>		<b>2942.07</b>		<b>3763.07</b>
Increase / (Decrease) in Trade Payables	185.08		463.58	
Increase / (Decrease) in Short term Provisions	(596.39)		(44.60)	
Increase / (Decrease) in Other Current Liabilities	838.28		(159.35)	
(Increase) / Decrease in Inventories	(1697.14)		76.99	
(Increase) / Decrease in Trade Receivables	1153.20		(2394.88)	
(Increase) / Decrease in Long term Loans & Advances	(8.19)		(30.63)	
(Increase) / Decrease in Other Non Current Assets	(4.47)		2.86	
(Increase) / Decrease in Short term Loans & Advances	94.47		(409.36)	
(Increase) / Decrease in Other Current Assets	(29.10)		328.12	
		<b>(64.26)</b>		<b>(2,167.28)</b>
Tax Paid		(247.41)		(292.00)
<b>Net Cash From Operating Activities (A)</b>		<b>2630.40</b>		<b>1303.79</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	107.42		171.17	
Sale Proceed Of Fixed Assets (Net)	83.08		16.75	
Purchase of Fixed Assets	(2103.69)		(868.15)	
Investment in Fixed Deposits having maturity of more than 3 months	186.25		(197.20)	
(Increase) / Decrease in Non Current Investment	0.00		0.00	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(1726.94)</b>		<b>(877.43)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	900.00		1,150.00	
Repayment of Long Term Borrowings	(1350.28)		(615.46)	
Net Increase / (Decrease) in Long Term Borrowings	(450.28)		534.54	
Increase / (Decrease) in Other Long Term Liability	(2.82)		9.36	
Increase / (Decrease) in Short Term Borrowings	833.16		803.19	
Dividend Paid on Equity Shares	0.00		(89.28)	
Dividend Distribution Tax Paid	0.00		(18.18)	
Financial Expenses	(1270.14)		(1659.09)	


**KRITI INDUSTRIES (INDIA) LIMITED**  
**CONSOLIDATED CASH FLOW AS ON 31.03.2017**

(Rs. in Lacs)

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Amount	Amount	Amount	Amount
Net Cash Used In Financing Activities (C)		(890.08)		(419.46)
Net Decrease In Cash and Cash Equivalents (A + B + C)		13.38		6.91
ADD :Cash and cash equivalents - Opening - 1st April		9.70		2.79
Cash and cash equivalents - Closing - 31st March		23.08		9.70

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

(Rs. in Lacs)

Particulars	2016-17	2015-16
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	19.82	5.42
Cash on hand	3.26	4.28
<b>Total of Cash &amp; Cash Equivalent</b>	<b>23.08</b>	<b>9.70</b>

(Rs. in Lacs)

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

Particulars	2016-17	2015-16
Cash and cash equivalents as above	23.08	9.70
<b>Add : Other Cash and Bank Balances</b>		
Unpaid Dividend	16.86	13.55
Fixed Deposit account maturity more than 3 month & less than 12 month	819.60	1009.16
<b>Cash and Bank Balances classified as Current (Refer Note 18)</b>	<b>859.54</b>	<b>1032.41</b>

Significant accounting policies &amp; Notes to the accounts 1 - 34

As per Our Report of Even Date Attached

For and on behalf of the Board of Directors

For : **Rakesh Kumar & Associates**

Chartered Accountants

FRN: 002150C

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

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

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

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

**Priyanka Gupta**  
 (Company Secretary)

Place: Indore

Date:- 11<sup>th</sup> May, 2017

**NOTE:1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2017****1. Statement of Accounting Policies****(a) Basis of Accounting**

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

**(b) Principles of consolidation**

1 The consolidated financial statements relate to Kriti Industries (India) Limited (company) and its wholly owned subsidiary Kriti Auto & Engineering Plastics Pvt. Ltd (KAEPPPL). The consolidated financial statements have been prepared on the following basis.

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

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

2 The subsidiary considered in the consolidated financial statements is:

Name of Company	Country of incorporation	% Voting Power held as at 31 <sup>st</sup> March 2017	% Voting Power held as at 31 <sup>st</sup> March 2016
Kriti Auto &Engineering Plastics Pvt. Ltd (KAEPPPL)	India	100	100

**(c) Other Significant accounting Policies**

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




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

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE NO. 2 SHARE CAPITAL</b>		
<b>22.1 AUTHORIZED</b>		
2.1.1 80000000 Equity Shares of Rs. 1/- each	800.00	800.00
2.1.2 2000000 Optional convertible Preference Shares of Rs. 10/- each	200.00	200.00
<b>2.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
2.2.1 49603520 equity shares of Rs 1/- each fully paid up which are issued as fully paid up share on 27.01.2010 on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
<b>2.2.2 Reconciliation of shares</b>		
2.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each	496.04	496.04
2.2.2.2 Issued during the year	0.00	0.00
2.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	<b>496.04</b>	<b>496.04</b>
The company has issued only one class of shares referred to as equity shares having a par value of Rs.1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
<b>2.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>2.3.1 SAKAM TRADING PRIVATE LIMITED</b>		
No. of Shares	25843673	25843673
%age of Shares	52.10%	52.10%
Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt. Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt. Ltd. and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt. Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt. Ltd. Thus Sakam Trading Pvt. Ltd. becomes holding company w.e.f. 27.02.2012 of Kriti Industries (I) Ltd.		
<b>2.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
No. of Shares	4469258	4469258
%age of Shares	9.01%	9.01%
<b>NOTE NO. 3 RESERVES &amp; SURPLUS</b>		
<b>RESERVES</b>		
<b>3.1 General Reserve</b>		
3.1.1 Opening Balance	2900.00	2700.00
3.1.2 Add: Transfer from P&L	200.00	100.00
3.1.3 Add: Transfer from Contingency Reserve	75.00	0.00
3.1.4 Closing Balance	3175.00	2900.00
<b>3.2 SHARE PREMIUM ACCOUNT</b>		
3.2.1 Opening Balance	466.14	466.14
3.2.2 Add: Transfer from P&L	0.00	0.00
3.2.3 Closing Balance	466.14	466.14
<b>3.3 Contingency Reserve</b>		
3.3.1 Opening Balance	75.00	75.00
3.3.2 Add: Transfer from P&L	0.00	0.00
3.3.3 Less: Transfer to General Reserve	(75.00)	0.00
3.3.3 Closing Balance	0.00	75.00
<b>3.4 SHARE FORFEITURE ACCOUNT</b>		
3.4.1 Opening Balance	2.73	2.73
3.4.2 Add: Transfer from P&L	0.00	0.00
3.4.3 Closing Balance	2.73	2.73



# KRITI INDUSTRIES (INDIA) LIMITED

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

Particulars					As at 31.03.2017	As at 31.03.2016
3.5 SURPLUS						
3.5.1 Statement of Profit & Loss						
3.5.1.1 Opening Balance					2041.19	1273.05
3.5.1.2 Add Profit & Loss during the period					833.81	1075.61
					2875.00	2348.66
Less:						
3.5.2 Interim Dividend Nil (Previous year Rs. @ 0.18 per share)					0.00	89.29
3.5.3 Corporate Dividend Tax					0.00	18.18
3.5.4 Transferred to General Reserve					200.00	200.00
Balance in Surplus					2675.00	2041.19
3.6 Exchange Fluctuation Reserve (created this year)					(93.61)	0.00
Total					6225.26	5485.06
NOTE NO. 4 LONG TERM BORROWINGS						
4.1 TERM LOAN (Installment due within 12 months shown in current Liabilities)						
4.1.1. SECURED 4.1.1.1 From Banks (Term of Repayments of Long Term Borrowings)						
Particulars	Total Tenture	No. of Installment Payable as on 31.03.2017	Last Installment due on	Rate of Interest	As at 31.03.2017	As at 31.03.2016
IDBI Bank Ltd.	20 Quarterly Installment	13	1st June, 2020	13.50%	252.00	412.00
State Bank of Hyderabad	20 Quarterly Installment	8	31st March, 2019	13.00%	102.31	199.83
COSMOS Bank	60 Monthly Installment	30	30th September, 2019	11.65%	348.48	591.24
HDFC Bank Ltd.	32 Quarterly Installment	20	31st March, 2022	11.50%	800.00	750.00
				TOTAL	1502.79	1953.07
(Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director )						
4.1.2 UNSECURED						
4.1.2.1 From Banks Term of Repayment of Long Term Borrowings						
Particulars	Total Tenture	No. of Installment Payable as on 31.03.2017	Last Installment due on	Rate of Interest	As at 31.03.2017	As at 31.03.2016
YES Bank	3 Installment Last 3 Month	3	31 <sup>st</sup> , December, 2017	10.35%	0.00	0.00
NOTE NO. 5 DEFERRED TAX LIABILITY NET						
5.1 Deferred Tax Liability (Net)					993.80	872.55
(On account of tax effects on timing difference arising due to difference in Depreciation)						
Total					993.80	872.55
NOTE NO. 6 OTHER LONG TERM LIABILITIES						
6.1 UNSECURED						
6.1.1 Other Loans and advances					208.63	211.45
(Security Deposit received from dealers)						
Total					208.63	211.45
NOTE NO -7 SHORT TERM BORROWINGS						
7. 1 Loans repayable on Demand						
7.1.1 SECURED						
From banks (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 )					3194.70	2192.79
7.1.2 UNSECURED						
7.1.2.1 From banks					1000.00	1000.00
7.1.2.2 Loans & Advances from Related Parties					146.00	314.75
Total					4340.70	3507.54
NOTE NO. 8 TRADE PAYABLES						
8.1 Trade Payables					8088.43	7809.74
Total					8088.43	7809.74
NOTE NO. 9 OTHER CURRENT LIABILITIES						
9.1 Outstanding Expenses					138.12	148.05
9.2 Statutory Liabilities					594.69	513.63
9.3 Current maturities of Long term debt					1328.32	564.48
9.4 Unpaid dividends					16.86	13.55
Total					2077.99	1239.71
NOTE NO.10 SHORT TERM PROVISIONS						
10.1 Provision for Employees Benefits					74.59	80.71
10.2 Provision of Income Tax					359.00	637.92
Total					433.59	718.63



## KRITI INDUSTRIES (INDIA) LIMITED

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

NOTE NO. -11-12 FIXED ASSETS (2016-17)

(RS . IN LAKHS)												
NOTE NO. 5(11+12) FIXED ASSETS (2010-17)	NOTE	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		NET BLOCK 31.03.2016
			01.04.2016	Additions	Deduction	TOTAL	01.04.2016	Accum Dep on Disposal Assets	For Year	Written back	TOTAL	
	11	TANGIBLE										
	11.1	Land	172.85	119.15	0.00	292.00	0.00	0.00	0.00	0.00	292.00	172.85
	11.2	Factory Building	1552.89	516.02	0.00	2068.91	484.32	0.00	54.66	0.00	1529.93	1068.57
	11.3	Plant & Machinery	6834.41	1357.25	281.42	7910.24	2558.63	0.00	260.75	198.33	5289.19	4275.79
	11.4	Testing & Lab Machinery	222.24	13.31	0.00	235.55	191.61	0.00	7.05	0.00	36.89	30.64
	11.5	Electrical Installation	278.60	257.22	2.02	533.80	90.11	0.00	40.94	2.02	404.77	188.49
	11.6	Dies & Moulds	1400.17	144.44	0.00	1544.61	1189.91	0.00	115.71	0.00	238.99	210.25
	11.7	Vehicles	55.81	0.00	13.05	42.76	31.46	0.00	4.74	13.05	19.61	24.35
	11.8	Furniture & Fixture	95.77	0.56	0.00	96.33	82.99	0.00	4.40	0.00	8.94	12.78
	11.9	Office Equipment	32.54	3.83	0.00	36.37	18.15	0.00	5.32	0.00	12.90	14.40
	11.10	COMPUTER	127.39	37.62	0.00	165.01	109.47	0.00	9.65	0.00	45.89	17.92
		TOTAL (11)	10772.67	2449.40	296.49	12925.58	4756.64	0.00	503.22	213.40	7879.11	6016.03
	12	INTANGIBLE										
	12.1	Software	131.65	14.45	0.00	146.10	105.04	0.00	9.73	0.00	31.33	26.61
	12.2	Goodwill	84.87	0.00	0.00	84.87	84.87	0.00	0.00	0.00	0.00	0.00
		TOTAL (12)	216.52	14.45	0.00	230.97	189.90	0.00	9.73	0.00	31.33	26.61
		GRAND TOTAL (11+12)	10989.19	2463.85	296.49	13156.55	4946.54	0.00	512.95	213.40	7910.44	6042.65
		Previous Year	10216.22	855.04	82.08	10989.19	4569.59	42.40	442.28	22.93	6042.63	5646.64



## KRITI INDUSTRIES (INDIA) LIMITED

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

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE NO. 13 NON- CURRENT INVESTMENT</b>		
13.1 National Saving Certificate	0.14	0.14
13.2 Unquoted		
Trade Investment in equity instruments		
13.2.1 Sahkari Audhyogik Vasahat Ltd. (1 Share of Rs. 500/-each )	0.01	0.01
13.2.2 Kriti Auto Engineering & Plastics Private Limited ( 100% Subsidiary ) (1000 Shares of Rs. 10/- each )	1.00	1.00
<b>Non Trade Investment in equity instruments</b>		
13.2.3 The Cosmos Co-operative Bank Ltd (10000 Equity Shares of Rs. 100/- each)	1.00	1.00
<b>Total</b>	<b>2.15</b>	<b>2.15</b>
<b>NOTE NO. 14 LONG TERM LOANS AND ADVANCES</b>		
14.1 Security Deposits	186.66	178.48
<b>Total</b>	<b>186.66</b>	<b>178.48</b>
<b>NOTE NO. 15 OTHER NON CURRENT ASSETS</b>		
15.1 Fixed deposit with banks against margin money	4.60	0.13
<b>Total</b>	<b>4.60</b>	<b>0.13</b>
<b>NOTE NO. 16 INVENTORIES</b>		
16.1 Raw Material	2467.59	1968.09
16.2 Finished Goods	5390.04	4331.12
16.3 Stores and Spares & others	573.74	435.02
<b>Total</b>	<b>8431.37</b>	<b>6734.23</b>
<b>NOTE NO. 17 TRADE RECEIVABLES</b>		
17.1 Trade Receivables ( Unsecured considered good )		
Over Six months from the date they become due	690.18	613.06
Others	3826.40	5056.72
<b>Total</b>	<b>4516.58</b>	<b>5669.78</b>
<b>NOTE NO. 18 CASH AND BANK BALANCES</b>		
18.1 Cash & Bank Balance		
18.1.1 Balances with Banks	19.82	5.42
18.1.2 Cash on hand	3.26	4.28
<b>18.2 other Bank Balances</b>		
18.2.1 Unpaid dividend	16.86	13.55
18.2.2 Fixed deposit with banks against margin money	819.60	1009.16
<b>Total</b>	<b>859.54</b>	<b>1032.41</b>
<b>NOTE NO. 19 SHORT-TERM LOANS AND ADVANCES</b>		
19.1 Unsecured, Considered good	1570.16	1664.63
Advances recoverable in cash or kind or for value to be received		
<b>Total</b>	<b>1570.16</b>	<b>1664.63</b>
<b>NOTE NO. 20 OTHER CURRENT ASSETS</b>		
20.1 Sundry Deposits	24.18	24.88
20.2 Advance Tax/ Tax Deducted at source	427.49	458.26
20.3 CENVAT	410.43	102.73
20.4 Accrued Interest/ Income	21.19	20.89
<b>Total</b>	<b>883.29</b>	<b>606.76</b>

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

Particulars	As at 31.03.2017	As at 31.03.2016
<b>NOTE NO. 21 REVENUE FROM OPERATIONS</b>		
21.1 Sale of Products	43197.40	53491.87
21.2 Other operating revenues	26.77	38.99
	43224.17	53530.86
21.3 less: Excise Duty	4468.41	5553.78
<b>Total</b>	<b>38775.76</b>	<b>47977.08</b>
<b>NOTE NO. 22 OTHER INCOME</b>		
22.1 Interest Income	107.42	143.54
22.2 Dividend Income	0.08	0.00
22.3 Other Non-operating Income	35.08	27.51
<b>Total</b>	<b>142.58</b>	<b>171.05</b>
<b>NOTE NO. 23 EMPLOYEE BENEFITS EXPENSES</b>		
23.1 Salaries & Wages	1572.84	1403.00
23.2 Contribution to provident and other fund	94.17	91.73
23.3 Staff Welfare Expenses	108.80	203.07
23.4 Director Remuneration	109.13	140.50
23.5 P.F on Director Remuneration	6.66	5.76
<b>Total</b>	<b>1891.60</b>	<b>1844.06</b>
<b>NOTE NO. 24 FINANCIAL COST</b>		
24.1 Interest Expenses	1061.08	1348.14
24.2 Other Borrowing Cost	209.06	310.95
<b>Total</b>	<b>1270.14</b>	<b>1659.09</b>
<b>NOTE NO. 25 OTHER EXPENSES</b>		
<b>(I) Manufacturing Expenses</b>		
25.1 Stores and Spares Consumed	296.49	345.91
25.2 Power Charges	1289.17	1405.17
25.3 Freight & Cartage	388.59	437.12
25.4 Repairs & Maintenance	142.92	89.98
25.5 Insurance Charges	24.26	31.94
25.6 Water Charges	18.99	19.33
25.7 Loss on Sale of Fixed asset	65.34	0.00
25.8.1 Excise Duty on Closing Stock	477.33	390.51
25.8.2 Excise Duty on Opening Stock	(390.51)	(390.63)
25.9 Job Work Charges	146.76	181.06
25.10 Miscellaneous Manufacturing Expenses	81.48	69.07
<b>Sub Total (I)</b>	<b>2540.82</b>	<b>2579.46</b>
<b>(II) Administrative Expenses</b>		
25.11 Stationery & Printing	7.09	7.90
25.12 Computer Expense	11.41	12.52
25.13 Rent, Rates and Taxes	70.69	80.22
25.14 Postage, Telegram and Telephones	24.09	28.97
25.15 Auditor's Fees	3.00	2.50
25.16 Conveyance Expenses	60.23	71.83
25.17 Legal & Professional Charges	105.78	75.41
25.18 Miscellaneous Expenses	47.41	51.74
25.19 Director's Meeting Fee	2.48	0.18
25.20 Net loss on foreign currency transactions	5.10	15.18
25.21 Corporate Social Responsibility	34.24	5.75
<b>Sub Total (II)</b>	<b>371.52</b>	<b>352.20</b>
<b>(III) Selling &amp; Distribution Expenses</b>		
25.22 Advertisement & Publicity	2.19	3.20
25.23 Sales Promotion Expenses	227.95	151.23
25.24 Brokerage & Commission	20.04	26.28
25.25 Service Charges	143.02	190.39
25.26 Freight Outward	498.58	1136.41
25.27 Sales Tax & Octroi	0.10	8.57
25.28 Travelling Expenses	142.74	168.50
25.29 Bad debts	0.19	100.26
<b>Sub Total (III)</b>	<b>1034.81</b>	<b>1784.83</b>
<b>TOTAL (I+II+III)</b>	<b>3947.15</b>	<b>4716.49</b>



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

**27 Contingent liabilities**

- 27.1 Estimated amount of contracts remaining to be executed on Capital Account Rs. 136.19 Lacs net of advance given (Previous Year Rs. 76.01 lacs)
- 27.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.694.99 Lacs (Previous Year Rs. 2232.91 lacs.)
- 27.3 Claims not acknowledge by the company on Commercial tax matters Rs. 256.52 Lacs (Pre. Year Rs. 260.15 Lacs).
- 28 The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is Rs.(5.10) Lakhs (Previous Year gain/ (loss) Rs. (15.18) Lakhs).
- 29 During the year ended 31.03.2017 excise duty on closing stock amounting to Rs. 86.82 Lakhs is net off excise duty on opening stock (Rs.477.33 Lakhs minus Rs.390.51).
- 30 Disclosure in respect of Specified Bank Notes held and transacted as per Notification no. G.S.R. 308(E) dated 30.03.2017:-

Particulars	SBNs Denomination	SBNs Amount	Other Denomination Notes Amt.	Total Amount
Closing cash in hand as on 08-11-2016	1000	1000		
	500	851500		
	Total	852500	158405	1010905
(+) Permitted receipts		-	880000	880000
(-) Permitted payment		-	729409	729409
(-) Amount Deposit in banks	1000	1000		
	500	851500		
	Total	852500	-	852500
Closing cash in hand as on 30-12-2016			308996	308996

**31 EARNING PER SHARE**

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

Sr.No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in Lakhs)	833.81	1075.61
3.	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)	NIL	NIL
4.	Basic Earning Per Share	1.68	2.17
5.	Diluted Earning Per Share	1.68	2.17
6.	Nominal Value Per Share	1.00	1.00

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

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

**i. Key Management Personnel:**

Shri Shiv Singh Mehta, Managing Director  
Smt. Purnima Mehta, Executive Director



## KRITI INDUSTRIES (INDIA) LIMITED

Shri V.K. Mittal, Chief Financial Officer

Smt. Priyanka Gupta, Company Secretary

ii. **Relatives of Key Management Personnel**

Shri Saurabh Singh Mehta (Son of Managing Director/ Executive Director)

Smt. Devki Hirawat (Daughter of Managing Director/ Executive Director)

iii. **Subsidiary Company**

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

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

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

2) Kriti Nutrients Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)

3) Chetak Builders Pvt. Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)

4) Sakam Charitable Trust, Indore

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

(Rs. in Lacs)

Sr. No.	Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1	DEPB License purchased	NIL (NIL)	NIL (NIL)	180.13 (294.60)
2	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	99.75 (132.82)
3	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	1.37 (0.13)
4	Purchase of Capital Goods	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Remuneration	142.44 (168.51)	8.80 (11.32)	NIL (NIL)
6	Rent Paid	NIL (NIL)	NIL (NIL)	134.46 (10.38)
7	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	216 (NIL)	NIL (30.00)	313.5 (209)
8	Interest Given	7.16 (NIL)	3.56 (2.31)	17.82 (23.77)
9	CSR Expenses	NIL (NIL)	NIL (NIL)	25.00 (NIL)

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

33 **Auditor's Remuneration**

(Rs. in Lacs)

Sr. No.	Auditor's Remuneration	31.03.2017	31.03.2016
a.	Statutory Audit/ Tax Audit Fees	3.00	2.50
b.	Taxation & Other matters including Legal & Professional Expenses.	0.25	Nil

Figures are exclusive of Service Tax.

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



**FORM AOC-1**  
**STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES**  
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

**Part "A": Subsidiaries**

S. No.	Name of the Company	The date since when subsidiary was acquired	Financial Period ended	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnovers	(Rs. in Lacs)			
										Profit (Loss) before Taxation	Profit (Loss) after Taxation	Proposed Dividend	% of Shareholding
01.	Kriti Auto and Engineering Plastics Private Limited	27.01.2010	31.03.2017	388.50	66.21	1535.35	1080.64	-	2283.87	(57.90)	(4.34)	-	100

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

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

**For and on behalf of the Board of Directors**

<b>Shiv Singh Mehta</b> Managing Director DIN 00023523	<b>Purnima Mehta</b> Executive Director DIN 00023632	<b>V.K. Mittal</b> Chief Financial Officer	<b>Priyanka Gupta</b> Company Secretary
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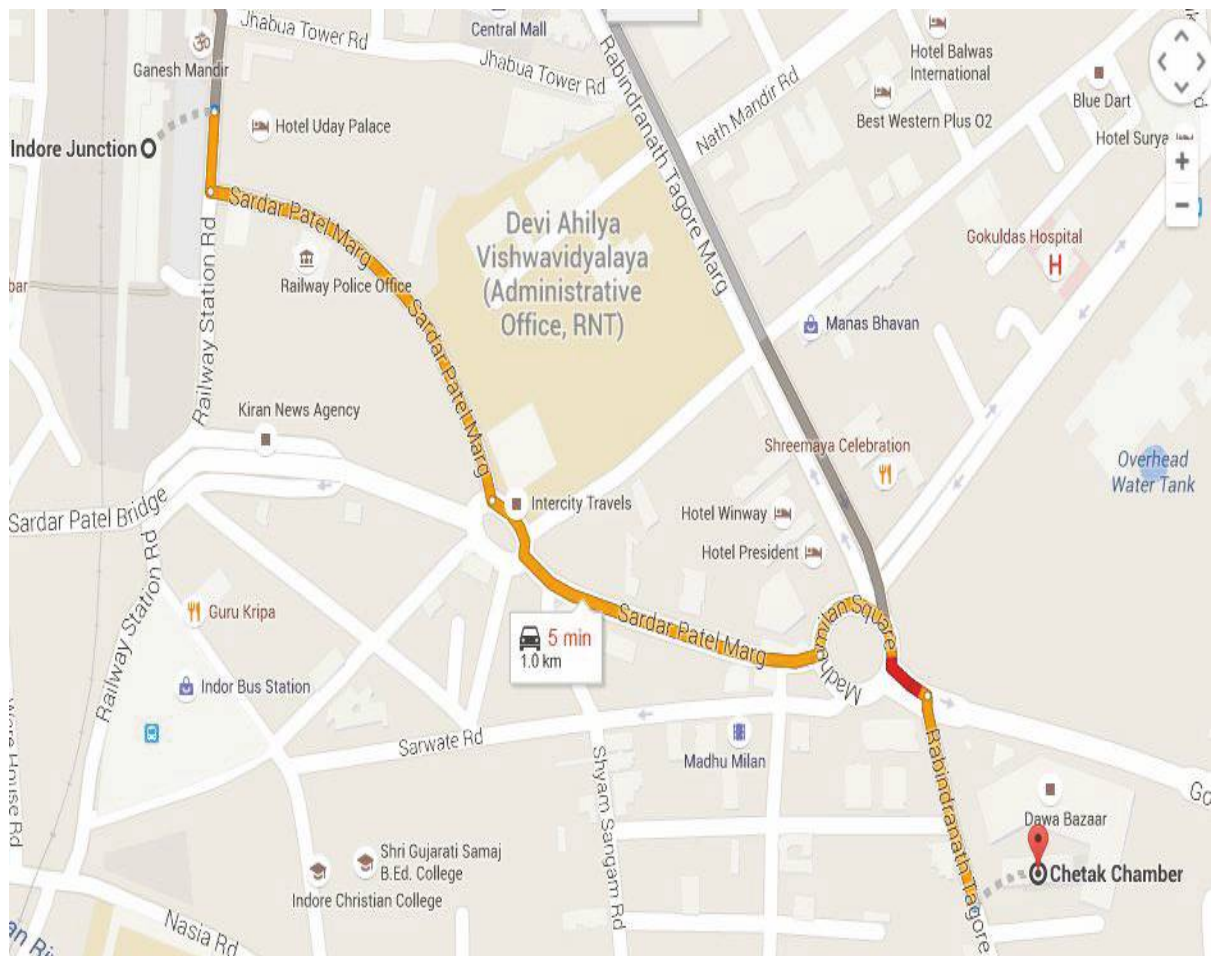
Place: Indore  
Date: 11<sup>th</sup> May, 2017





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

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



**LANDMARK:** NEXT TO DAWA BAZAR

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



## KRITI INDUSTRIES (INDIA) LIMITED

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

### ECS MANDATE FORM

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

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

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

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

Date

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

#### Certificate of the Investor's bank

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

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





**PROXY FORM  
FORM MGT- 11**

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

Name : **KRITI INDUSTRIES (INDIA) LIMITED**  
CIN : **L25206MP1990PLC005732**  
Regd office : **MEHTA CHAMBER, 34 SIYAGANJ, INDORE-452007 (M.P)**

Name of the member (s):

Registered address :  
E-mail Id :  
Folio No/ Client Id :  
DP ID :

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

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

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the **27<sup>th</sup> Annual General Meeting** of the company, to be held on **Tuesday, 12<sup>th</sup> September, 2017 at 3.00 P.M at Corporate Support Center, 4<sup>th</sup> Floor Chetak Chamber, 14 RNT Marg, Indore (M.P.) -452001** and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolutions</b>	
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 31 <sup>st</sup> March, 2017.
3.	Director retire by rotation
4.	Ratification of appointment of Auditor
5.	Ratification of remuneration of Cost Auditor.

Signed this..... day of..... 2017

Signature of shareholder



Signature of Proxy holder(s)

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

**ATTENDANCE SLIP**

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

R.F. No. ....

Mr./Mrs./Miss .....

(Shareholders' name in block letters)

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

I/We hereby record my/our presence at the **27<sup>th</sup> Annual General Meeting** of the company at the registered office the company at the Registered office of the company **12<sup>th</sup> September, 2017.**

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

(Shareholders/proxy's Signature)

Note:

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



**KRITI INDUSTRIES (INDIA) LTD.**

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