



Kriti Industries (India) Limited
22nd Annual Report

2011 - 2012



सर्जना, सर्जक एवं सृष्टि की त्रिवेणी में उद्वेलित वह परम
अभिलाषा 'कृति' आत्मानंद नहीं, आत्मसमर्पण है।

**"Kriti is that supreme desire which flames out of the divine convergence
of the creation, creator and the universe. Kriti is not for self indulgence
of the creator but is his total surrender towards the cause"**

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

We, at Kriti Group are conscious about maintaining our values and standing by our beliefs. Our commitment to them has helped us gain leadership in products and businesses across regions where we are present. The foundation we have laid gives us a strong platform to aspire for newer heights.

We have embarked upon a major initiative to restructure the organization, its management and administrative structures. We are infusing new energy through younger talent. With faster data flow and team based leadership we aspire to improve our growth rates and profitability in the coming years.

You will see more action in the market place, new product offerings, fresh branding initiatives and a younger, vibrant leadership. The Indian economy is facing challenges, however there is more room for focused, energetic and clear thinking organizations. We are serving products which form the basic needs of our society and thus foresee growth and improved working in the coming years.

With Best Regards,
Shiv Singh Mehta

List of Directors

1. Shri Shiv Singh Mehta - Managing Director
2. Smt. Purnima Mehta - Executive Director
3. Dr. Swatantra Singh Kothari
4. Shri Rakesh Kalra
5. Shri Manoj Fadnis
6. Dr. Somnath Ghosh
7. Shri V. M. Bhole - Nominee Director
(IDBI Bank Ltd.) (Upto 28.05.2012)

Registered Office

Mehta Chambers,
34, Siyaganj, Indore - 452007

Share Transfer Agent

M/s Ankit Consultancy Pvt Ltd.
60, Electronics Complex, Pardehsipura,
Indore - 452010

Auditor

R. D Asawa & Co.
Chartered Accountants
403, Alankar Point, Geeta Bhawan
Square, AB Road, Indore - 452001

Bankers

State Bank of India
State Bank of Travancore
IDBI Bank Ltd.
Bank of India
State Bank of Hyderabad

Corporate Support Center

Chetak Chambers,
4th Floor, 14 RNT Marg,
Indore - 452001



NOTICE

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the Members of KRITI INDUSTRIES (INDIA) LIMITED will be held on Saturday the 22nd of September, 2012 at 4:00 P.M. at Corporate Support Center situated at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore (M.P.) - 452001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Directors' report and Auditors' report thereon.
2. To declare Dividend for the Financial Year ended on 31st March, 2012.
3. To appoint a Director in place of Mr. Manoj Fadnis, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rakesh Kalra, who is liable to retire by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Place: Indore
Date: 28th July, 2012

By order of the Board,

Shiv Singh Mehta
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from Friday 14th September, 2012 to Friday 21st September, 2012 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
 - (a) The Dividend on equity shares if declared at the meeting, will be credited/dispatched between 24th September, 2012 to 30th September, 2012. To those members whose names shall appear on the Company's Register of Members on 14th September, 2012 in respect of the shares held in dematerialised form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
4. Relevant documents referred into the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of meeting.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
6. Members desiring of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.



7. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. For the Equity Shares of the Company is INE798K01010. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., 60 Electronic Complex, Pardeshi Pura, Indore (M.P.) 452 010.
8. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down load from the website of the Ministry of Company affairs.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by email to its members. To support these green initiative of the government in full measures, members who have not registered their email address, so far are requested to register their email address, in respect of electronic holdings with the CDSL/NSDL. Members holding shares in physical form then also please update your e-mail id at <http://www.ankitonline.com>.
10. All the shareholder are requested to take interest in opting for ECS facility, he/ she may please send to our Registrar and Transfer Agent "Ankit Consultancy Private Limited" the ECS MANDATE FORM contained in the last page of the Annual report by enclosing a blank cheque leaf or a cancelled cheque for the purpose of noting the MICR details. The ECS mandate details provided by an investor will be used for payments in respect of shares held by such investor.
- In case the investor is holding the shares in demat form, such investor may please contact his/her Depository Participant for recording the ECS mandate.
11. Brief resume of directors those proposed to be appointed, nature of their expertise in specific functional areas, names of companies, in which they hold directorship, shareholding and relationship between directors inter-se stipulated under Clause No.49 of the Listing Agreement with the stock exchanges, or provided here under:

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

Name of the Director	Mr. Manoj Fadnis	Mr. Rakesh Kalra
Date of Birth	16.07.1962	11.09.1949
Date of Appointment	24.06.2006	24.06.2006
Expertise in specific area	Company Law, Taxation and Accounting	Mechanical Engineering
Qualification	FCA	B.E.
List of Outside Directorship held	Madhya Pradesh Stock Exchange Limited Extensible Business Reporting Language (XBRL) India Kriti Nutrients Ltd. Kriti Auto and Engineering Plastics Pvt. Limited	Tara Jewels Limited Forton Motors Marketing & Sales India Private Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Audit Committee Member: Financial Committee Member: Remuneration Committee	Chairman : Remuneration Committee Member : Audit Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	Kriti Nutrients Limited	None
(b) Investors' Grievance Committee	Kriti Nutrients Limited	None
(C) Remuneration Committee	Kriti Nutrients Limited	None
No. & Percentage of Shares held	Nil	Nil



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 22nd Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2012 is summarized below:

(Rs. in Lacs)

PARTICULARS	Current Year 2011-12	Previous Year 2010-11
Total Income	30821.78	27782.78
Profit before Interest, Depreciation & Taxes	2531.75	1949.36
Less: Interest	1346.66	930.70
Profit before depreciation	1185.09	1018.66
Less: Depreciation	362.16	277.14
Profit/ (Loss)	822.93	741.52
Provision for Taxation	264.44	245.55
Net Profit/(loss)	558.49	495.97
Add: Balance Brought Forward	679.58	695.08
Profit available for Appropriation	1238.07	1191.05
Proposed Dividend	74.40	74.40
Corporate Dividend Tax	12.07	12.07
Transferred to General Reserve	500.00	400.00
Transferred to Contingency Reserve	---	25.00
Balance Carried over to Balance Sheet	651.60	679.58

YEAR IN RETROSPECT

The Company has achieved total Turnover of Rs. 30821.78 lacs and Profit before Tax Rs. 822.93 lacs and Profit after Tax Rs. 558.49 lacs.

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

DIVIDEND

Your directors are pleased to recommend a dividend of 15% for the year ended 31st March, 2012 on 49603520 equity shares of Rs. 1/- each aggregating to Rs. 74.40 lacs.

CORPORATE GOVERNANCE

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

SECRETARIAL COMPLIANCE CERTIFICATE

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that: -

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at end of the financial year ended 31st March, 2012 and of the Profit and Loss Account of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the year ended 31st March, 2012 on a going concern basis.

HOLDING COMPANY

Pursuant to High court order at Indore Bench dated 01.11.2011 and Certificate of Registration of Order with Registrar of Companies for above order on the Scheme of Amalgamation of Companies dated 27.02.2012 being effective date of the scheme, Sakam Trading Private Limited became holding company of your company as shareholding in the company of Kriti Corporate Services Private Limited, Kriti Auto Accessories Private Limited and Kasta Pipes Private Limited (Transferor Companies) are Merged with Sakam Trading Private Limited (Transferee Company).

All the above companies belong to the same promoter group.

SUBSIDIARY COMPANY

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs.2431.90 lacs representing a profit after tax of Rs. 17.96 lacs.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiary is attached.

AUDITORS AND AUDITOR REPORT

M/s. R. D. Asawa & Co., Chartered Accountant, Indore the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.



DIRECTORS

Mr. Manoj Fadnis and Mr. Rakesh Kalra, retire by rotation at the 22nd Annual General Meeting and being eligible offers themselves for re-appointment.

STATUTORY INFORMATION

PUBLIC DEPOSIT

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

PARTICULARS OF EMPLOYEES

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

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

Information as per section 217(1)(e) read with Companies

(Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

FOR & ON BEHALF OF THE BOARD,

Place: Indore
Date: 28th July, 2012

Managing Director

ANNEXURE

Information as per Section 217(1) (e) read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

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

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

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

(c) Impact of above measures:

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

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

FORM - B

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

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

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

(II) Benefits derived

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

(C) FOREIGN EXCHANGE EARNING & OUTGO

(Rs. In Lacs)

	2011-12	2010-11
1. Earning		
FOB rate of Export	Nil	Nil
2. Outgoing		
a) CIF Value of Imports	3237.36	5519.94
b) Expenditure in Foreign Currency	28.89	68.41



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

I. BOARD OF DIRECTORS

Composition of Board

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

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

Directors retiring by rotation and seeking for re-appointment

Shri Manoj Fadnis and Shri Rakesh Kalra are the directors liable to retire by rotation and being eligible offer themselves for re-appointment.

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

Name of the Director	Mr. Manoj Fadnis	Mr. Rakesh Kalra
Date of Birth	16.07.1962	11.09.1949
Date of Appointment	24.06.2006	24.06.2006
Expertise in specific area	Company Law, Taxation and Accounting	Mechanical Engineering
Qualification	FCA	B.E.
List of Outside Directorship held	Madhya Pradesh Stock Exchange Limited Extensible Business Reporting Language (XBRL) India Kriti Nutrients Limited Kriti Auto and Engineering Plastics Pvt. Limited	Tara Jewels Limited Forton Motors Marketing & Sales India Private Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Audit Committee Member: Financial Committee Member: Remuneration Committee	Chairman: Remuneration Committee Member: Audit Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director		
(a) Audit Committee	Kriti Nutrients Limited	None
(b) Investors' Grievance Committee	Kriti Nutrients Limited	None
(c) Remuneration Committee	Kriti Nutrients Limited	None
No & Percentage of Shares held	Nil	Nil



The composition of the Board of Directors and the number of board committee in which they are chairman/ member as on 31.03.2012 are as under:

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

Board Procedure

During the year under review, four meetings of the Board of Directors were held. The dates of the meetings were decided in advance and key information was placed before the Board. The Board of Directors meetings were held on 21st May 2011, 25th July 2011, 07th November 2011 and 27th January 2012.

Attendance record of Directors

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

Name	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 27th September, 2010
Shri Sajjan Singh Mehta*	4	2	---
Dr. S. S. Kothari	4	0	No
Shri Vinod Bhole	4	3	No
Smt. Purnima Mehta	4	4	Yes
Shri Shiv Singh Mehta	4	4	Yes
Shri Manoj Fadnis	4	4	Yes
Shri Rakesh Kalra	4	1	No
Dr. Somnath Ghosh	4	1	No

*Sad demise of Shri Sajjan Singh Mehta on 20.08.2011

II. AUDIT COMMITTEE

(A) Terms of reference

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

(B) Constitution and Composition

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

The Audit Committee of the Company as on 31st March, 2012 comprises of the following Directors of the Company.

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

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



(c) Meeting and attendance during the year

Four meetings were held during the financial year 2011-12 on 21st May 2011, 25th July 2011, 07th November 2011 and 27th January 2012. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
Shri Manoj Fadnis	4
Shri V. M. Bhole	3
Shri Rakesh Kalra	1

III. SUBSIDIARY COMPANY

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

REMUNERATION OF DIRECTORS

(A) Terms of reference

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

(B) Constitution and Composition

The Remuneration Committee of the Company as on 31st March, 2012 comprises of the following Directors of the Company.

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

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

Remuneration to Managing Director and Executive Director

The terms of remuneration of Shri Shiv Singh Mehta, Managing Director has already been fixed by the Board of directors and approved by the shareholders at Annual General Meeting. During the financial year 2011-12, the particulars of remuneration paid to Managing Directors are as under: -

(Rs. in Lacs)

Name of the Director	Salary	Perquisites	Commission	Period of Contract
Shri Shiv Singh Mehta	33.60	6.00	6.00	3 years starting from 1st October, 2010
Smt. Purnima Mehta	15.91	3.37	6.00	3 years starting from 1st July, 2011
Total	49.51	9.37	12.00	

Remuneration of Non- Executive Directors.

The details of remuneration paid to the Non-Executive Directors during the financial year 2011-12 are given below. Non-Executive Directors are not entitled for any remuneration other than the sitting fees

S No.	Name of the Non-Executive Director	Sitting Fees (Rs.)
1	Shri Sajjan Singh Mehta	2000
2	Dr. S.S. Kothari	Nil
3	Shri. V. M. Bhole	6000
4	Shri Manoj Fadnis	8000
5	Dr. Somnath Ghosh	1000
6	Shri Rakesh kalra	2000

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. 11 of Notes on Accounts, forming part of the Annual report.

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

B. Disclosure of non-compliance by the Company:

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



COMMUNICATION TO SHAREHOLDERS

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

INVESTORS' GRIEVANCE COMMITTEE

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

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

The Committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report and dividend warrants etc. In addition, the committee also looks into matters, which can facilitate better investor services and relations.

INFORMATION ON GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2008-2009	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	30th September, 2009	4.00 P.M.
2009-2010	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	27th September, 2010	4.00 P.M.
2010-2011	"Chetak Chambers", 4th Floor, 14 R.N.T. Marg, Indore - 452 001	24th September, 2011	3.00 P.M.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

The 22nd Annual General Meeting of the Company will be held on Saturday the 22nd of September, 2012 At 4:00 P.M. at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore.

Financial Calendar for the year 2012-13 (Provisional)

a.	Results for the first quarter ending 30th June, 2012	By end of July, 2012
b.	Results for the second quarter ending 30th September, 2012	By end of October, 2012
c.	Results for the Third quarter ending 31st December, 2012	By end of January, 2013
d.	Results (Audited) for the fourth quarter ending 31st March, 2013	By end of May, 2013
e.	Annual General Meeting for the year ending March, 2013	By end of September, 2013

Book Closure Dates

The Company's Share Transfer Book will remain closed from Friday 14th September, 2012 to Friday 21st September, 2012 (both days inclusive) for purpose of Annual General Meeting.

Listing on Stock Exchanges

The Company's shares are traded on BSE, MPSE and NSE (through MPSE from 26.10. 2011).

The Company's shares are presently listed on the Bombay Stock Exchange Limited & National Stock Exchange Mumbai and Madhya Pradesh Stock Exchange Limited, Indore, Madhya Pradesh. The Company has paid annual listing fee for the year 2012-13.

Stock Code/Details of Scrip

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



Market Price Data (Rs.)

The monthly high and low quotations of shares of the Company traded at the Bombay Stock Exchange and National Stock Exchange, Mumbai during the financial year 2011-12 are given below:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2011	8.1	6.20	-	-
May, 2011	7.19	5.51	-	-
June, 2011	6.88	5.65	-	-
July, 2011	9.27	5.97	-	-
August, 2011	8.96	5.76	-	-
September, 2011	7.9	6.12	-	-
October, 2011	8	6.02	8.50	7.00
November, 2011	7	5.53	6.50	4.40
December, 2011	6.99	5.50	6.50	3.75
January, 2012	8.14	5.74	8.45	4.65
February, 2012	8	6.12	7.85	6.20
March, 2012	8.99	6.45	8.35	6.80

Share Transfer System

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

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

Shareholding Pattern & Distribution of Shareholding

Shareholding Pattern as on 31st March, 2012

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's holding		
1. Promoters		
a. Indian Promoters	332617778	65.76
b. Foreign Promoters	-	-
2. Persons acting in concert	-	-
Sub-Total	32617778	65.76
B. Non-Promoter's holding		
3. Institutional Investors		
a. Financial Institution and Banks	1600	0
b. FIIs		
Sub-Total	1600	0
4. Others		
a. Corporate Bodies	1192420	2.4
b. Indian Public	15690194	31.63
c. NRIs/OCBs	95823	0.19
d. Clearing Members	5708	0.01
Sub-Total	16985742	34.2
GRAND TOTAL	49603520	100



Distribution of Shareholding as on 31st March, 2012

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	3930	66.88
1001-2000	1043	17.75
2001-3000	282	4.80
3001-4000	326	5.55
4001-5000	40	0.68
5001-10000	127	2.16
10001 above	128	2.18
Total	5876	100

Dematerialisation of Shares & Liquidity

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

Details of Demat Shares as on 31st March, 2012

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2167	41552720	83.77
CDSL	1140	4696320	9.47
Sub-Total	3307	46249040	93.24
Shares in physical form	2569	3354480	6.76
Grand Total	6071	49603520	100

Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

Plant locations of the Company

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

Address for communication

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

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

Auditors' Certificate on Corporate Governance

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



AUDITORS' REPORT ON COMPLAINT OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of Kriti Industries (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Kriti Industries (India) Limited, Indore for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

For R.D. Asawa & Company
Chartered Accountants

Place : Indore
Date : 28th July, 2012

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

India's plastic industry is projected to grow at estimated rate of 15% in the coming years. The PVC pipes business is driven in large measure by demand for pipes used in agriculture and irrigation sector, constructions and upcoming infrastructure projects. The union budget for 2012-13 has increased allocation for agriculture and irrigation. The target for agriculture credit has been raised by Rs. 100000 crores to Rs. 575000 crores. Central government is also mobilising funds for irrigation projects. All the above factors will be helpful for industry to grow.

OPPORTUNITY

Your Company foresees good growth opportunities in the irrigation and agricultural sector. The positive trend in demand is expected to continue in the coming years, due to increased focus by the government on agriculture, construction and infrastructure development projects.

THREAT

The pipe industry is highly Raw Material (RM) intensive with the RM cost accounts for more than 70-80% of the total cost. The industry relies heavily on imports with associated forex fluctuation risk.

Local / unrecognised sector creating stiff competition by offering lower rates & compromising in quality aspects of products.

BUSINESS STRATEGY

The company is conscious of its brand value and enhancing it by offering newer and better quality products, advertising and promotions. The company has introduced new range of accessories for the piping system. It also has facilities for producing a variety of PVC/HDPE fittings. Company is increasing its customers base in agriculture and building sector. Company has created separate verticals for irrigation, building products, MIS and Institutional sales through expanded marketing network in identified focus areas.

FINANCIAL PERFORMANCE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system of the company is in place and is commensurate with the size & scale of its operations. The Internal Audit department with the help of external agencies & based on risk assessment, regularly performs internal audits & ensure the effectiveness of internal control systems.

The company has implemented suitable controls on ongoing basis to assure that all resources are utilized optimally, financial transactions are reported with the accuracy and all applicable laws and regulations are strictly complied with. The audit findings are reviewed by the Audit Committee of the Board and corrective actions as deemed necessary are taken.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your company's Industrial relations continued to be harmonious during the year under review. The company continue to invest in people through various initiatives which enable the work force to meet out the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

CAUTIONARY STATEMENT

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



COMPLIANCE CERTIFICATE

CIN: L25206MP1990PLC005732

To,
The Members,
KRITI INDUSTRIES (INDIA) LIMITED
INDORE.

I have examined the registers, records, books and papers of KRITI INDUSTRIES (INDIA) LIMITED as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2012. In my opinion, and to the best of my information and according to the examinations carried out by me and explanations and certifications furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies, as per due date of filing and the date of filing mentioned in the Annexure
3. The Company, being a Public Limited Company no comment is required on maximum number of members and invitation to public for subscription of shares and acceptance of deposits.
4. The Board of Directors duly met Four (4) times respectively on 21st May, 2011, 25th July, 2011, 7th November 2011 and 27th January 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 18th September, 2011 to 24th September, 2011 and complied with the necessary compliance of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 24th September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contract attracting with the provision of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. Since there were no instances attracting provisions of Section 314, the Company was not required to obtain approvals from the Board of directors, members or Central Government, as the case may be.



12. The Company has not issued any duplicate certificates during the financial year under consideration.
13. The Company :
 - a. has delivered all the Share Certificates on lodgement thereof for transfer/transmission of securities in accordance with the provisions of the Act. However there was no allotment during the year under scrutiny.
 - b. has deposited Rs. 7440528 in a separate bank account as dividend was declared during the financial year.
 - c. Has posted warrants for dividends to the members as dividend was declared during the financial year.
 - d. has transferred the pending amount of unpaid dividend account for 2003-2004 amounting to Rs. 236200 in Investor Education and Protection Fund.
 - e. Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors has been duly made.
15. The Company has re-appointed Mrs. Purnima Mehta as Whole Time Director w.e.f. 1st July, 2011 for the period of 5 years after due approval from Board of Directors in their meeting dated 21st May, 2011. The same was approved by Members in the Annual General Meeting dated 24th September, 2011.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any share, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued Preference Shares and Debentures so there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. On the basis of information and explanation given to me the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Financial Institutions, Banks and others during the financial year ending is within the borrowing limits of the company.
25. The Company has made loans, advances, given guarantees and provided securities to other bodies corporate, and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny.



27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any moneys as security from its employees during the financial year.
33. The Company has deposited both employees and employers contribution to Provident Fund with prescribed authorities pursuant to the provisions of Section 418 of the Companies Act, 1956.

Place: Indore
Date: 26.05.2012

ASHISH KARODIA
Company Secretary
C.P. No. 6375



SECRETARIAL COMPLIANCE CERTIFICATE - ANNEXURE - "A"

Registers as maintained by the Company:

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

SECRETARIAL COMPLIANCE CERTIFICATE - ANNEXURE - "B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2012.

S.No.	Form No./Return	Date of Filing	Receipt No.	Whether filed within prescribed time	Whether additional (if delay in filing) fees paid
1.	Form 23	29.07.2011	B17172503	No	Yes
2.	Form 25C	30.07.2011	B17197617	Yes	N.A.
3.	Form 32	31.08.2011	B19326479	Yes	N.A.
3.	Form 23	12.10.2011	B22592612	Yes	N.A.
4.	Secretarial Compliance Certificate	17.10.2011	P73047409	Yes	N.A.
5.	Annual Return as on 24.09.2011	16.11.2011	P79286837	Yes	N.A.
6.	Annual Accounts for 31.03.2011	28.11.2011	P81039406	Yes	N.A.
7.	Form 8	23.03.2012	B35231935	Yes	N.A.
8.	Form 1INV	11.10.2011	B22512552	Yes	N.A.

Place: Indore
Date: 26.05.2012

ASHISH KARODIA
Company Secretary
C.P. No. 6375



AUDITOR'S REPORT

To,
The Member of
Kriti Industries (India) Limited

- 1) We have audited the attached Balance Sheet of Kriti Industries (India) Limited as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) Further to our comments in Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) In the case of Statement of Profit and Loss, of the profit for the year ended on that date, and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date
4. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and according to information & explanation given to us on our enquiries and on the basis of such checks we considered appropriate, we further state that:
 - (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.



- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
- (ii) (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) Company has granted unsecured loans to 1 party, covered in the register maintained U/S 301 of the Companies Act, 1956. Outstanding of loan given at the year end Rs.90 lacs and maximum outstanding during the year 668.25 lacs.
- (b) Rate of interest and other terms and conditions of loan given are not prima-facie prejudicial to the interest of company.
- (c) In our opinion receipt of principal and interest is regular as stipulated.
- (d) In our opinion there is no overdue of interest or principal.
- (e) Company has taken unsecured loan from 2 parties covered in the register maintained U/S 301 of the Companies Act, 1956 amount involved Nil, maximum Outstanding during the year 941.67 lacs .
- (f) Rate of interest and other terms and conditions of loan taken are not prima-facie prejudicial to the interest of the company.
- (g) Payment of principal and interest is regular as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under that Section, have been so entered.
- (b) According to the information and explanations given to us, there are transaction for purchase of DEPB Licenses etc, in excess of Rs.5 lacs in respect of each party. There is no similar transaction available for comparison and therefore reasonableness of price/value of transaction could not be ascertained. However there are no other transaction for sale/purchase of services etc.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under and therefore clause is not applicable to the company.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii) The Company is not required to maintain cost records in terms of Sec 209(1) (d) of the Companies Act, 1956.
- ix) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year.



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

S.no.	Nature of dues	Related Period	Amount (Rs.)	Forum where dispute is pending
1	Central Sales Tax	2004-05	1836995	High Court
2	Central Sales Tax	2005-06	7238189	High Court
3	Central Sales Tax	2006-07	1335795	High Court
4	VAT Tax	2007-08	3947024	Appellate Board BHOPAL
5	Entry Tax	2007-08	1808843	Appellate Board BHOPAL
6	Entry Tax	2007-08	425618	Appellate Board BHOPAL
7	Central Excise Tax	2007-08	947051	Deputy commissioner
8	Central Sales Tax	2008-09	114553	Appellate Board BHOPAL
9	Central Excise Tax	2010-11	2662714	Comm. Appeal(1), Indore
10	VAT Tax	2011-12	118750	Deputy commissioner
11	Entry Tax	2011-12	23750	Deputy commissioner

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) Company has not given any guarantees for loans taken by others from banks or institutions, and therefore commenting over terms and conditions does not arise.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima-facie, applied by the Company for the purposes for which the loans were obtained.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima-facie, not been used during the year for long term investment.
- (xviii) The Company has not made preferential allotment of shares to the parties and companies covered under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year, and therefore question of end use does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or detected during the year.

For R.D Asawa & Co.
Chartered Accountants
(FRN O1164C)

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

PLACE : Indore
DATED: 26th May, 2012



BALANCE SHEET AS AT 31.03.2012

PARTICULARS	Note No.	(Rs. in Lacs)	
		As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	496.04	496.04
Reserves and Surplus	2	3595.47	3123.45
Non-Current Liabilities			
Long-term borrowings	3	1065.23	879.07
Deferred tax liabilities (Net)		536.41	471.98
Other Long term liabilities	4	131.85	156.01
Current Liabilities			
Short-term borrowings	5	2326.95	1801.48
Trade payables	6	6771.33	7780.78
Other current liabilities	7	2029.38	997.42
Short-term provisions	8	322.51	340.07
	Total	<u>17275.17</u>	<u>16046.30</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	4064.65	3318.02
Intangible assets	10	21.94	30.86
Capital work-in-progress		77.38	86.24
Non-current investments	11	777.15	777.15
Long term loans and advances	12	81.16	72.84
Other non-current assets	13	90.00	0.00
Current assets			
Inventories	14	7109.82	7399.54
Trade receivables	15	3046.49	2202.03
Cash and bank balances	16	595.90	528.10
Short-term loans and advances	17	547.26	561.18
Other current assets	18	863.42	1070.34
	Total	<u>17275.17</u>	<u>16046.30</u>

Significant accounting policies & notes to the accounts 24

As per our Report of even dated attached
For R.D.Asawa & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

Shiv Singh Mehta
(Managing Director)

Purnima Mehta
(Executive Director)

Place: Indore
Date:- 26.05.2012



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

		(Rs. in Lacs)	
PARTICULARS	Note No.	2011-12	2010-11
Revenue :			
Revenue from operations	19	30656.30	27580.29
Less : Excise Duty		<u>(2569.26)</u>	<u>(2296.01)</u>
		28087.04	25284.28
Other Income	20	165.48	202.49
	Total Revenue	<u>28252.52</u>	<u>25486.77</u>
Expenses:			
Cost of materials consumed		22800.94	20088.90
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(1315.45)	150.34
Employee benefit expense	21	1219.74	965.70
Financial costs	22	1346.66	930.70
Depreciation and amortization expense	9 – 10	362.16	277.14
Other expenses	23	3015.54	2332.47
	Total Expenses	<u>27429.59</u>	<u>24745.25</u>
Profit before tax		822.93	741.52
Tax expense:			
Current tax		(200.00)	(228.00)
Deferred tax		<u>(64.44)</u>	<u>(17.55)</u>
Profit/(Loss) for the year		<u>558.49</u>	<u>495.97</u>
Earning per equity share:			
(1) Basic (face value of Rs.1 each)		1.13	1.00
(2) Diluted (face value of Rs.1 each)		1.13	1.00

Significant accounting policies & notes to the accounts 24

As per our Report of even dated attached
For R.D.Asawa & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

Shiv Singh Mehta
(Managing Director)

Purnima Mehta
(Executive Director)

Place: Indore
Date:- 26.05.2012



Notes Forming Part of The Balance Sheet and Statement of Profit & Loss Account

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
NOTE NO -1 SHARE CAPITAL		
1.1 AUTHORIZED		
1.1.1 100000000 Equity Shares of Rs.1/- each	<u>1000.00</u>	<u>1000.00</u>
1.2 ISSUED, SUBSCRIBED AND PAID UP		
1.2.1 49603520 equity shares of Rs 1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench (Each equity share has one voting right)		
1.2.2 Reconciliation of shares		
1.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each	496.04	496.04
1.2.2.2 Issued during the year	0.00	0.00
1.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	<u>496.04</u>	<u>496.04</u>

1.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE**1.3.1 SAKAM TRADING PRIVATE LIMITED**

Current year :

No. of Shares: 25843673

% of Shares: 52.10%

Previous year :

No. of Shares: 5459273

% of Shares: 11.01%

Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Service Pvt.Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd.and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt.Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.12 of Kriti Industries (India) Ltd.

1.3.2 CHETAK BUILDERS PRIVATE LIMITED

Current Year:

No. of Shares: 4469258

% of Shares: 9.01%

Previous year :

No. of Shares: 4608158

% of Shares: 9.20%



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
NOTE NO -2 RESERVES & SURPLUS		
2.1 RESERVES		
2.1.1 General Reserve		
2.1.1.1 Opening Balance	1900.00	1,500.00
2.1.1.2 Add: Transfer from P&L	500.00	400.00
2.1.1.3 Closing Balance	<u>2,400.00</u>	<u>1,900.00</u>
2.2 SHARE PREMIUM ACCOUNT		
2.2.1 Opening Balance	466.14	466.14
2.2.2 Add: Transfer from P&L	-	-
2.2.3 Closing Balance	<u>466.14</u>	<u>466.14</u>
2.3 CONTINGENCY RESERVE		
2.3.1 Opening Balance	75.00	50.00
2.3.2 Add: Transfer from P&L	0.00	25.00
2.3.3 Closing Balance	<u>75.00</u>	<u>75.00</u>
2.4 SHARE FOREFEITURE ACCOUNT		
2.4.1 Opening Balance	2.73	2.73
2.4.2 Add: Transfer from P&L	0.00	0.00
2.4.3 Closing Balance	<u>2.73</u>	<u>2.73</u>
2.5 SURPLUS		
2.5.1 Statement of Profit & Loss		
2.5.1.1 Opening Balance	679.58	695.09
2.5.1.2 Add Profit & Loss during the period	558.49	495.97
	<u>1238.07</u>	<u>1191.06</u>
Less:		
2.5.2 Proposed Dividend	74.40	74.40
2.5.3 Corporate Dividend Tax	12.07	12.07
2.5.4 Transferred to General Reserve	500.00	400.00
2.5.5 Transferred to Contingency Reserve	0.00	25.00
Balance in Surplus	651.60	679.58
	Total	
	<u>3595.47</u>	<u>3123.45</u>

NOTE NO -3 LONG TERM BORROWINGS

3.1 TERM LOAN

(Installment due within 12 months shown in Current Liabilities)

3.1.1 SECURED		
3.1.1.1 From Banks		
a) IDBI Bank Ltd.		
(i) (Repayable in 19 monthly installments , Last installment due on 1st April, 2014 Rate of Interest 15.25% p.a.at year end.)	135.00	251.00
(ii) (Repayable in 17 Qrtly installments , Last installment due on 1st September 2013 Rate of Interest 15.25% p.a.at year end.)	57.00	189.00



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
(iii) (Repayable in 7 Qrtly installments, Last installment due on 1st April 2014 Rate of Interest 14.75 p.a.at year end.)	20.57	0.00
b) State Bank of Hyderabad (Repayable in 11 qtrly installments, Last installment due on 31st December, 2014 Rate of Interest:15.75% p.a.at year end.)	95.56	145.35
c) Bank of India (Repayable in 17 qtrly installments, Last installment due on 30th June, 2016 Rate of Interest: 14.50% p.a.at year end. (Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director)	757.10	293.72
Total	<u>1065.23</u>	<u>879.07</u>
NOTE NO -4 OTHER LONG TERMLIABILITIES		
4.1 UNSECURED		
4.1.1 Other Loans and advances	131.85	156.01
Total	<u>131.85</u>	<u>156.01</u>
NOTE NO -5 SHORT TERM BORROWINGS		
5. 1. Loans repayable on Demand		
5.1.1 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)	2326.95	1801.48
Total	<u>2326.95</u>	<u>1801.48</u>
NOTE NO -6 TRADE PAYABLES		
6.1 Sundry Creditors	6771.33	7780.78
Total	<u>6771.33</u>	<u>7780.78</u>
NOTE NO -7 OTHER CURRENT LIABILITIES		
7.1 Outstanding Expenses	402.01	255.22
7.2 Statutory Liabilities	985.79	257.63
7.3 Current maturities of Long term debt (Refer point no.4 of note no.24)	625.68	484.57
7.4 Unpaid dividends	15.90	-
Total	<u>2029.38</u>	<u>997.42</u>
NOTE NO -8 SHORT TERM PROVISIONS		
8.1 Provision for employees benefits (bonus)	36.05	25.60
8.2 Provision of Income Tax	200.00	228.00
8.3 Proposed dividend	74.40	74.40
8.4 Corporate Dividend Tax	12.07	12.07
Total	<u>322.51</u>	<u>340.07</u>



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

NOTE NO. 9 & 10

(Rs. in Lacs)

NOTE	PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	Net Block
		01.04.2011	Additons-	Deduction-	31.03.12	AS ON 01.04.11	For Year	Written back	TOTAL	31.03.12	31.03.11
9	TANGIBLE										
9.1	Land	116.88	0.00	0.00	116.88	0.00	0.00	0.00	0.00	116.88	116.88
9.2	Factory Building	837.37	22.22	0.00	859.59	240.69	27.97	0.00	268.66	590.93	596.68
9.3	Plant & Machinery	3651.22	659.62	7.86	4302.98	1360.80	204.43	1.63	1563.60	2739.38	2290.42
9.4	Dies & Moulds	827.23	388.26	0.00	1215.49	602.88	99.15	0.00	702.03	513.46	224.35
9.5	Vehicles	35.92	9.20	0.00	45.12	20.58	3.02	0.00	23.60	21.52	15.34
9.6	Furniture & Fixture	76.57	3.52	0.00	80.09	34.76	4.58	0.00	39.34	40.75	41.81
9.7	COMPUTER	112.85	21.01	0.00	133.86	80.31	11.82	0.00	92.13	41.73	32.54
	TOTAL(9)	5658.04	1103.83	7.86	6754.01	2340.02	350.96	1.63	2689.36	4064.65	3318.02
10	INTANGIBLE										
10.1	Software	75.60	2.28	0.00	77.88	44.74	11.20	0.00	55.94	21.94	30.86
	TOTAL(10)	75.60	2.28	0.00	77.88	44.74	11.20	0.00	55.94	21.94	30.86
	TOTAL (9+10)	5733.64	1106.11	7.86	6831.89	2384.76	362.16	1.63	2745.30	4086.59	3348.88
	Previous Year	4924.22	809.42	0	5733.64	2107.62	277.14	0	2384.76	3348.88	

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
NOTE-11 NON- CURRENT INVESTMENT		
11.1 National Saving Certificate	0.14	0.14
Trade Investment in equity instruments		
11.2 Unquoted		
11.2.1 Sahkari Audhyogik Vasahat LIMITED (1 Share of Rs.500/-)	0.01	0.01
11.2.2 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary) (3875000 Shares of Rs.10/- each)	777.00	777.00
Total	<u>777.15</u>	<u>777.15</u>
NOTE-12 LONG TERM LOANS AND ADVANCES		
12.1. SECURITY DEPOSITS	81.16	72.84
Total	<u>81.16</u>	<u>72.84</u>
NOTE-13 OTHER NON CURRENT ASSETS		
13.1 Inter Corporate Deposit	90.00	0.00
Total	<u>90.00</u>	<u>0.00</u>
NOTE-14 INVENTORIES		
14.1 Raw Material	2109.81	3726.39
14.2 Finished Goods	4452.07	3136.61
14.3 Stores and Spares & others	547.94	536.54
(Mode of valuation of above stocks are as per point no.1.6 of notes to the accounts)		
Total	<u>7109.82</u>	<u>7399.54</u>
NOTE-15 TRADE RECEIVABLES		
15.1 Trade Receivables (Unsecured considered good)		
15.1.1 Over Six months	431.52	273.60
15.1.2 Others	2614.98	1928.43
Total	<u>3046.49</u>	<u>2202.03</u>



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
NOTE-16 CASH AND BANK BALANCES		
16.1 Cash & Bank Balance		
16.1.1 Balances with Banks	0.68	6.33
16.1.2 Cash on hand	2.89	0.78
16.2 Other Bank Balances		
16.2.1 Unpaid dividend	15.90	
16.2.2 Fixed deposit with banks against margin money (Above 12 months Rs.105.90 Lacs)	576.43	520.99
Total	<u>595.90</u>	<u>528.10</u>
NOTE-17 SHORT-TERM LOANS AND ADVANCES		
17.1 Unsecured, Considered goods		
Advances recoverable in cash or kind or for value to be received	547.26	561.18
Total	<u>547.26</u>	<u>561.18</u>
NOTE-18 OTHER CURRENT ASSETS		
18.1 Sundry Deposits	16.74	17.69
18.2 Advance Tax/ Tax Deducted at source	204.61	288.09
18.3 CENVAT	638.92	764.17
18.4 Accrued Interest/ Income	3.15	0.39
Total	<u>863.42</u>	<u>1070.34</u>
NOTE	2011-12	2010-11
NOTE-19 REVENUE FROM OPERATIONS		
19.1 Sale of Products	30645.27	27578.62
19.2 Other operating revenues	11.03	1.67
	30656.30	27580.29
19.3 Less : Excise Duty	2569.26	2296.01
Total	<u>28087.04</u>	<u>25284.28</u>
NOTE-20 OTHER INCOME		
20.1 Interest Income	157.28	144.46
20.2 Dividend Income	0.10	0.09
20.3 Other Non-operating Income	8.10	13.20
20.4 Net gain/ loss on foreign currency transactions	0.00	44.74
Total	<u>165.48</u>	<u>202.49</u>
NOTE-21 EMPLOYEE BENEFITS EXPENSES		
21.1 Salaries & Wages	958.29	739.73
21.2 Contribution to provident and other fund	61.68	47.19
21.3 Staff Welfare Expenses	128.89	127.01
21.4 Director Remuneration	65.62	47.97
21.5 P.F on Director Remuneration	5.26	3.80
Total	<u>1219.74</u>	<u>965.70</u>
NOTE-22 FINANCIAL COST		
22.1 Interest Expenses	934.54	694.90
22.2 Other Borrowing Cost	242.42	235.80
22.3 Net gain/ loss on foreign currency transactions	169.70	0.00
Total	<u>1346.66</u>	<u>930.70</u>



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

(Rs. in Lacs)

NOTE	2011-12	2010-11
NOTE-23 OTHER EXPENSES		
(I) Manufacturing Expenses		
23.1 Stores and Spares Consumed	236.34	171.15
23.2 Power Charges	715.34	597.97
23.3 Freight & Cartage	183.85	173.87
23.4 Repairs & Maintenance	28.83	15.03
23.5 Insurance Charges	10.35	10.41
23.6 Water Charges	30.93	31.89
23.7 Miscellaneous Manufacturing Expenses	735.10	401.55
Sub Total (I)	<u>1940.74</u>	<u>1401.87</u>
(II) Administrative Expenses		
23.8 Stationery & Printing	3.27	2.34
23.9 Computer Expense	7.20	3.65
23.10 Rent, Rates and Taxes	22.93	36.49
23.11 Postage, Telegram and Telephones	16.35	13.28
23.12 Auditor's Fees	1.50	1.25
23.13 Conveyance Expenses	3.38	21.20
23.14 Legal & Professional Charges	54.89	60.35
23.15 Miscellaneous Expenses	36.53	28.98
23.16 Director's Meeting Fee	0.19	0.29
Sub Total (II)	<u>146.24</u>	<u>167.83</u>
(III) Selling & Distribution Expenses		
23.17 Advertisement & Publicity	7.79	37.16
23.18 Sales Promotion Expenses	32.63	22.01
23.19 Brokerage & Commission	311.49	251.46
23.20 Freight Outward	375.51	313.43
23.21 Sales Tax & Octroi	14.08	5.93
23.22 Sundry Balances Written off	0.00	7.45
23.23 Travelling Expenses	187.05	119.17
23.24 Bad debts	0.01	6.16
Sub Total (III)	<u>928.56</u>	<u>762.77</u>
TOTAL (I+II+III)	<u><u>3015.54</u></u>	<u><u>2332.47</u></u>



1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

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

1.2 Use of Estimates

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

1.3 Fixed assets and depreciation

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

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

1.4 Impairment of Assets

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

1.5 Investments

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

1.6 Inventories

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

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

1.7 Revenue recognition

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

1.8 Employee Benefits

(a) Short Term Employee Benefits

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

(b) Post- Employment Benefits

- (i) Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under



the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.

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

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

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

1.9 Foreign Currency Transactions

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

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

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

1.10 Borrowing Costs

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

1.11 Taxation

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

1.12 Earning Per Share

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

1.13 Provisions for contingencies

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

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

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

Contingent assets are not recognized in the financial statements.

2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
3. Contingent liabilities
 - 3.1 Estimated amount of contracts remaining to be executed on Capital Account Rs. 19.04 lacs net of advance given (Previous Year Rs. 292.37lacs)
 - 3.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.364.88 lacs (Previous Year Rs. 169.85 lacs.)
4. Installments of term loans from financial institutions falling due within one year are Rs 625.68 lacs (Previous year Rs. 494.00 lacs).
5. Company's Income tax assessments have been completed up to Assessment year 2009-2010. In the opinion of Board of Director's provision made for Income Tax is adequate.



6. Remuneration Paid/Payable to Managing Director / Executive Director

Paid / Payable (Rs. In Lacs)	Current Year	Previous year
Remuneration	58.88	41.97
Commission	12.00	6.00

7. Unpaid overdue amount due on March 31, 2012 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.

8. The amount of Foreign Exchange gain/(loss) included in the profit & loss account is Rs.(169.70) lacs (Previous Year gain Rs. 44.74 lacs). Above amount is included in Finance Cost.

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

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

(b) Table showing changes in present value of obligations as on (Rs. in Lacs)

	31/03/2012	31/03/2011
Present value of obligations as at beginning of the year	30.94	24.42
Interest Cost	2.48	1.95
Current Service Cost	8.14	7.21
Benefit Paid	(3.30)	(2.01)
Actuarial (gain)/loss on obligations	10.14	(0.64)
Present value of obligations as at end of the year	48.40	30.94

	31/03/2012	31/03/2011
(c) Table showing changes in the fair value of plan assets as on		
Present value of obligations as at beginning of the year	41.71	34.09
Expected return on plan assets	3.68	3.10
Contribution	16.30	6.52
Benefit Paid	(3.30)	(2.01)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	58.39	41.71

	31/03/2012	31/03/2011
(d) Table showing fair value of plan assets as on		
Fair value of plan assets at beginning of the year	41.71	34.09
Actual return on plan assets	3.68	3.10
Contribution	16.30	6.52
Benefit Paid	(3.30)	(2.01)
Fair value of the plan assets at the end of the year	58.39	41.71
Funded status	9.99	10.77
Excess of actual over estimated return on plan assets	NIL	NIL

(Actual Rate of return= estimated rate of return as ARD falls on 31/03/2012)

	31/03/2012	31/03/2011
(e) Actuarial Gain/Loss recognized as on		
Actuarial (Gain)/Loss for the year-obligation	(10.14)	0.64
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Total (Gain)/Loss for the year	10.14	(0.64)
Actuarial (Gain)/Loss recognized for the year	10.14	(0.64)



(f) Expenses recognized in statement of profit and loss	31/03/2012	31/03/2011
Current Service Cost	8.14	7.21
Interest cost	2.48	1.95
Expected return on Plan Asset	(3.68)	(3.10)
Net Actuarial (Gain)/Loss recognized in the year	10.14	(0.64)
Expenses recognized in the statement of profit & loss	17.07	5.43
(g) Assumption		
Discount rate	8%	8%
Salary Escalation	7%	7%

10. EARNING PER SHARE

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

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in lacs)	558.49	495.97
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	1.13	1.00
5.	Diluted Earning Per Share	1.13	1.00
6.	Nominal Value Per Share	1.00	1.00

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

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

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



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

(Rs. in lacs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	DEPB License purchased	NIL (NIL)	NIL (NIL)	NIL (NIL)	567.41 (369.17)
2.	Remuneration	NIL (NIL)	70.88 (47.97)	6.87 (5.40)	NIL (NIL)
3.	Rent	NIL (NIL)	NIL (NIL)	1.06 (2.11)	8.55 (NIL)
4.	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	3718.95 (1729.40)
	Taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	2011.85 (496.69)
5.	Interest	NIL (NIL)	NIL (NIL)	NIL (NIL)	13.45 (56.50)

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

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

(Rs. in Lacs)

S.N.	PARTICULAR	31/03/2012	31/03/2011
a.	Value of Import on C.I.F. basis		
	i. Raw Material	3237.36	5210.94
	ii Capital Goods	Nil	309.00
b.	Earning in Foreign Currency	Nil	Nil
c.	Expenditure in foreign currency		
	i. Interest	21.26	68.23
	ii. Others	7.63	0.18

13. Auditor's Remuneration

(Rs. in Lacs)

S.N.	Auditor's Remuneration	31/03/2012	31/03/2011
a.	Statutory Audit Fees*	1.5	1.25
b.	Tax Audit Fees*	Nil	Nil
c.	Taxation & Other matters including Legal & Professional Expenses.	0.55	Nil

* Figures are exclusive of Service Tax.



14 Detail of Raw Material Consumption and sales

(Rs in lacs)

PARTICULARS	CONSUMPTION
RAW MATERIAL	
Plastic Polymers	19765.71 (17706.40)
OTHERS	3035.23 (2382.50)
TOTAL	22800.94 (20088.90)

PARTICULARS	SALES
MANUFACTURED PRODUCT	
PVC/ HDPE PIPE/ DUCT	25723.85 (23274.63)
PVC FITTINGS	1992.64 (1713.33)
OTHERS	359.52 (294.65)
TOTAL	28076.01 (25282.61)

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

Accounting policies & Notes on Accounts
As per our report of even date attached.
For R.D. ASAWA & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

Shiv Singh Mehta
(Managing Director)

Purnima Mehta
(Executive Director)

Place: Indore
Date:- 26th May 2012



CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2012

(Rs.in Lacs)

Particular	31.03.2012	31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	822.93	741.52
ADJUSTMENT FOR		
DEPRICIATION	362.16	277.14
DIVIDEND RECEIVED	(0.10)	(0.09)
(PROFIT)/LOSS ON SALE OF ASSET	(0.12)	0.00
MISCELLANEOUS INCOME	(165.26)	(204.40)
INTEREST PAID	1346.66	930.70
OPERATING PROFIT BEFORE CHANGE OF WORKING CAPITAL	2366.28	1744.87
INCREASE/(DECREASE) IN TRADE PAYABLES	(1009.45)	2173.68
INCREASE/(DECREASE) IN SHOT TERM PROVISIONS	(304.04)	(271.46)
INCREASE/(DECREASE) IN OTHER LONG TERM LIABILITIES	(24.16)	(210.79)
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES	1184.98	(116.17)
(INCREASE)/DECREASE IN INVENTORIES	289.72	(1096.70)
(INCREASE)/DECREASE IN TRADE RECIEVABLES	(844.46)	(777.49)
(INCREASE)/DECREASE IN LONG TERM LOANS AND ADVANCES	(8.32)	121.64
(INCREASE)/DECREASE IN OTHER NON CURRENT ASSETS	(90.00)	1.90
(INCREASE)/DECREASE IN SHORT TERM LOANS AND ADVANCES	13.92	(79.22)
(INCREASE)/DECREASE IN OTHER CURRENT ASSETS	206.92	(57.91)
CASH GENERATED FROM OPERATION	(584.90)	(312.50)
TAXES PAID	(153.02)	(194.48)
NET CASH FLOW FROM OPERATIONS (A)	1628.36	1237.89
CASH FLOW FROM INVESTMENT ACTIVITIES		
DIVIDEND INCOME	0.10	0.09
MISCELLANEOUS INCOME	165.26	204.40
SALE PROCEEDS OF FIXED ASSETS (NET)	6.36	0.00
PURCHASE OF FIXED ASSETS	(1097.25)	(883.31)
SALE OF FIXED ASSETS	0.00	0.00
(INCREASE)/DECREASE IN FIXED DEPOSITS HAVING MATURITY OF MORE THAN THREE MONTHS	0.00	0.00
(INCREASE)/DECREASE IN INVESTMENTS	0.00	0.00
NET CASH FLOW FROM INVESTING ACTIVITIES(B)	(925.53)	(678.82)
CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARES/EFFECTS OF DEMERGER	0.00	0.00
INCREASE/ (DECREASE) IN SHARE CAPITAL	0.00	0.00
INCREASE/ (DECREASE) IN LONG TERM BORROWINGS	186.16	(92.08)
INCREASE/ (DECREASE) IN SHORT TERM BORROWINGS	525.47	102.08
INTEREST EXPENSES	(1346.66)	(930.70)
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	(635.03)	(920.70)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT[A+B+C]	67.80	(361.63)
ADD : OPENING CASH & CASH EQUIVALENTS	528.10	889.73
CASH & CASH EQUIVALENT AT THE END OF THE PERIOD	595.90	528.10

Last year figures has been regrouped and reclassified wherever applicable

As per our Report of even dated attached.

For and on behalf of the Board of Directors

For R.D.Asawa & Co.

Chartered Accountants

R.D.Asawa

(Proprietor)

M.No. 16562

Place: Indore

Date:- 26.05.2012

Shiv Singh Mehta

(Managing Director)

Purnima Mehta

(Executive Director)



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

- 1) We have audited the attached consolidated balance sheet of Kriti Industries (India) Ltd (the company) and Kriti Auto & Engineering Plastics Pvt. Ltd. (its subsidiary both jointly referred as group) as at 31st March 2012, the consolidated statement of profit and loss and consolidated cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of company's management. Our responsibility is to express an opinion on these consolidated financial statement based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimated made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We have audited the financial statement of Kriti Auto & Engineering Plastics Pvt. Ltd, a subsidiary whose financial statement reflect total assets of Rs.1934.11 lacs as at 31st March 2012 and total revenues of Rs.2167.13 lacs for the year ended on that date, and net cash flow amounting to Rs.74.67 Lacs for the year then ended.
- 4) We report that the consolidated financial statement have been prepared by the Company in accordance with the requirements of accounting standard 21, on Consolidated Financial statement, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statement of company's and its subsidiary included in the consolidated financial statement.
- 5) On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statement of company and its subsidiary, in our opinion, the consolidated financial statement together with the notes thereon and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of consolidated balance sheet, of state of affairs of the group as at 31st March 2012.
 - (b) In case of consolidated statement of profit and loss of the profit of the group for the year ended on that date
 - (c) In case of consolidated cash flow statement , of the cash flows of the group for year ended on that date

For R.D Asawa & Co..
Chartered Accountants
(FRN O1164C)

Place: Indore
Date: 26th May, 2012

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



CONSOLIDATED BALANCE SHEET AS AT 31.03.2012

(Rs. in Lacs)

PARTICULARS	Note No.	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	496.04	496.04
Reserves and Surplus	2	3713.71	3223.74
Non-Current Liabilities			
Long-term borrowings	3	1065.23	879.07
Deferred tax liabilities (Net)		638.33	576.50
Other Long term liabilities	4	131.85	156.01
Current Liabilities			
Short-term borrowings	5	2578.87	2048.89
Trade payables	6	7355.44	8406.63
Other current liabilities	7	2078.35	1074.79
Short-term provisions	8	375.46	386.93
	Total	<u>18433.28</u>	<u>17248.60</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	4748.97	4041.16
Intangible assets	10	68.62	94.51
Capital work-in-progress		80.13	87.24
Non-current investments	11	1.15	1.15
Long term loans and advances	12	97.14	88.81
Other non-current assets	13	90.00	0.00
Current assets			
Inventories	14	7554.20	7716.10
Trade receivables	15	3706.58	2987.38
Cash and bank balances	16	604.02	529.35
Short-term loans and advances	17	550.18	561.86
Other current assets	18	932.29	1141.04
	Total	<u>18433.28</u>	<u>17248.60</u>

Significant accounting policies & notes to the accounts 24

As per our Report of even dated attached
For R.D.Asawa & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

Shiv Singh Mehta
(Managing Director)

Purnima Mehta
(Executive Director)

Place: Indore
Date:- 26.05.2012



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in Lacs)

PARTICULARS	Note No.	2011-12	2010-11
Revenue :			
Revenue from operations	19	33088.19	30212.79
Less : Excise Duty		<u>(2835.84)</u>	<u>(2546.05)</u>
		30252.35	27666.74
Other Income	20	167.29	206.51
	Total Revenue	<u>30419.64</u>	<u>27873.24</u>
Expenses:			
Cost of materials consumed		24359.27	21744.04
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(1352.13)	85.92
Employee benefit expense	21	1371.56	1111.40
Financial costs	22	1385.87	976.71
Depreciation and amortization expense	9 – 10	426.96	341.84
Other expenses	23	3381.98	2734.37
	Total Expenses	<u>29573.51</u>	<u>26994.28</u>
Profit before tax		846.13	878.96
Tax expense:			
Current tax		(207.84)	(268.76)
Deferred tax		<u>(61.84)</u>	<u>(45.95)</u>
Profit/(Loss) for the year		<u>576.45</u>	<u>564.26</u>
Earning per equity share:			
(1) Basic (face value of Rs.1 each)		1.16	1.14
(2) Diluted (face value of Rs.1 each)		1.16	1.14

Significant accounting policies & notes to the accounts 24

As per our Report of even dated attached
For R.D.Asawa & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

Shiv Singh Mehta
(Managing Director)

Purnima Mehta
(Executive Director)

Place: Indore
Date:- 26.05.2012



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
NOTE NO -1 SHARE CAPITAL		
1.1 AUTHORIZED		
1.1.1 100000000 Equity Shares of Rs. 1/- each	<u>1000.00</u>	<u>1000.00</u>
1.2 ISSUED, SUBSCRIBED AND PAID UP		
1.2.1 49603520 equity shares of Rs 1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench (Each equity share has one voting right)		
1.2.2 Reconciliation of shares		
1.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each	496.04	496.04
1.2.2.2 Issued during the year	0.00	0.00
1.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	<u>496.04</u>	<u>496.04</u>
1.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE		
1.3.1 SAKAM TRADING PRIVATE LIMITED (HOLDING COMPANY)		

Current year :

No. of Shares: 25843673

% of Shares: 52.10%

Previous year :

No. of Shares: 5459273

% of Shares: 11.01%

Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Service Pvt.Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd.and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt.Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.12 of Kriti Industries (India) Ltd.

1.3.2 CHETAK BUILDERS PRIVATE LIMITED

Current Year:

No. of Shares: 4469258

% of Shares: 9.01%

Previous year :

No. of Shares: 4608158

% of Shares: 9.20%



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
NOTE NO -2 RESERVES & SURPLUS		
2.1 RESERVES		
2.1.1 General Reserve		
2.1.1.1 Opening Balance	1900.00	1,500.00
2.1.1.2 Add: Transfer from P&L	500.00	400.00
2.1.1.3 Closing Balance	<u>2,400.00</u>	<u>1,900.00</u>
2.2 SHARE PREMIUM ACCOUNT		
2.2.1 Opening Balance	466.14	466.14
2.2.2 Add: Transfer from P&L	0.00	0.00
2.2.3 Closing Balance	<u>466.14</u>	<u>466.14</u>
2.3 CONTINGENCY RESERVE		
2.3.1 Opening Balance	75.00	50.00
2.3.2 Add: Transfer from P&L	0.00	25.00
2.3.3 Closing Balance	<u>75.00</u>	<u>75.00</u>
2.4 SHARE FOREFEITURE ACCOUNT		
2.4.1 Opening Balance	2.73	2.73
2.4.2 Add: Transfer from P&L	0.00	0.00
2.4.3 Closing Balance	<u>2.73</u>	<u>2.73</u>
2.5 SURPLUS		
2.5.1 Statement of Profit & Loss		
2.5.1.1 Opening Balance	779.87	727.08
2.5.1.2 Add Profit & Loss during the period	576.45	564.26
	<u>1356.32</u>	<u>1,291.34</u>
Less:		
2.5.2 Proposed Dividend	74.40	74.40
2.5.3 Corporate Dividend Tax	12.07	12.07
2.5.4 Transferred to General Reserve	500.00	400.00
2.5.5 Transferred to Contingency Reserve	<u>0.00</u>	<u>25.00</u>
Balance in Surplus	769.84	779.87
	Total	
	<u>3,713.71</u>	<u>3,223.74</u>

NOTE NO -3 LONG TERM BORROWINGS**3.1 TERM LOAN**

(Installment due within 12 months shown in Current Liabilities)

3.1.1 SECURED		
3.1.1.1 From Banks		
Borrowings from		
a) IDBI Bank Ltd.		
(i) (Repayable in 19 monthly installments , Last installment due on 1st April, 2014 Rate of Interest 15.25% p.a.at year end.)	135.00	251.00
(ii) (Repayable in 17 Qrtly installments , Last installment due on 1st September 2013 Rate of Interest 15.25% p.a.at year end.)	57.00	189.00



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
(iii) (Repayable in 7 Qrtly installments , Last installment due on 1st April 2014 Rate of Interest 14.75 p.a.at year end.)	20.58	0.00
(iv) (Repaid fully during the year)		
b) State Bank of Hyderabad (Repayable in 11 qtrly installments , Last installment due on 31st December, 2014 Rate of Interest:15.75% p.a.at year end.)	95.55	145.35
c) Bank of India (Repayable in 17 qtrly installments , Last installment due on 30th June, 2016 Rate of Interest: 14.50% p.a.at year end. (Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director)	757.10	293.72
Total	<u>1065.23</u>	<u>879.07</u>
NOTE NO -4 OTHER LONG TERMLIABILITIES		
4.1 UNSECURED		
4.1.1 Other Loans and advances	131.85	156.01
Total	<u>131.85</u>	<u>156.01</u>
NOTE NO -5 SHORT TERM BORROWINGS		
5.1. SECURED		
5.1.1 Loans repayble on Demand		
From banks	2578.87	2,048.89
(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)		
Total	<u>2578.87</u>	<u>2,048.89</u>
NOTE NO -6 TRADE PAYABLES		
6.1 Sundry Creditors	7355.44	8,406.63
Total	<u>7355.44</u>	<u>8,406.63</u>
NOTE NO -7 OTHER CURRENT LIABILITIES		
7.1 Outstanding Expenses	434.62	285.51
7.2 Statutory Liabilities	1002.15	304.71
7.3 Current maturities of Long term debt (Refer point no.4 of note no.24)	625.68	484.57
7.4 Unpaid dividends	15.90	-
Total	<u>2078.35</u>	<u>1,074.79</u>
NOTE NO -8 SHORT TERM PROVISIONS		
8.1 Provision for employees benefits (bonus)	37.88	29.20
8.2 Provision of Income Tax	251.10	271.26
8.3 Proposed dividend	74.40	74.40
8.4 Corporate Dividend Tax	12.07	12.07
Total	<u>375.46</u>	<u>386.93</u>



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

NOTE NO. 9 & 10

(Rs. in Lacs)

NOTE	PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	Net Block
		01.04.2011	Additons-	Deduction-	31.03.12	AS ON 01.04.11	For Year	Written back	TOTAL	31.03.12	31.03.11
9	TANGIBLE										
9.1	Land	172.85	0.00	0	172.85	0	0	0	0	172.85	172.85
9.2	Factory Building	1050.33	22.22	0	1072.55	286.38	35.08		321.46	751.08	763.95
9.3	Plant & Machinery	4306.58	668.36	7.86	4967.08	1543.47	239.21	1.63	1781.05	3186.03	2763.11
9.4	Dies & Moulds	852.74	388.26		1241.00	617.41	103.29	0	720.70	520.30	235.33
9.5	Vehicles	36.23	9.20	0.00	45.43	20.77	3.05	0	23.82	21.61	15.46
9.6	Furniture & Fixture	98.75	3.52		102.27	41.62	5.98	0	47.61	54.66	57.12
9.7	COMPUTER	116.85	21.28		138.13	83.51	12.18		95.69	42.44	33.34
	TOTAL(9)	6634.33	1112.83	7.86	7739.31	2593.17	398.79	1.63	2990.33	4748.97	4041.16
10	INTANGIBLE										
10.1	Software	75.60	2.28		77.88	44.74	11.20		55.94	21.94	30.86
10.2	Goodwill	84.87	0	0	84.87	21.22	16.97	0	38.19	46.68	63.65
	TOTAL(10)	160.47	2.28	0.00	162.75	65.96	28.17	0.00	94.13	68.62	94.51
	TOTAL (9+10)	6794.80	1115.11	7.86	7902.05	2659.13	426.96	1.63	3084.46	4817.59	4135.67
	Previous Year	5982.56	812.24	0	6794.80	2317.29	341.84	0	2659.13	4135.67	

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
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NOTE-11 NON- CURRENT INVESTMENT

11.1 Unquoted

11.1.2	National Saving Certificate	0.14	0.14
11.1.2	Sahkari Audhyogik Vasahat LIMITED (1 Share of Rs.500/-)	0.01	0.01
11.1.3	Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary) (3875000 Shares of Rs.10/- each) (Refer clause no 2 of point no.1 of note to accounts)	1.00	1.00
	Total	<u>1.15</u>	<u>1.15</u>

NOTE-12 LONG TERM LOANS AND ADVANCES

12.2 SECURITY DEPOSITS

		97.14	88.81
	Total	<u>97.14</u>	<u>88.81</u>

NOTE-13 OTHER NON CURRENT ASSETS

13.1 Inter Corporate Deposit

		90.00	0.00
		<u>90.00</u>	<u>0.00</u>

NOTE-14 INVENTORIES

14.1	Raw Material	2324.53	3,870.03
14.2	Finished Goods	4589.39	3,237.25
14.3	Stores and Spares & others	640.28	608.82
	Total	<u>7554.20</u>	<u>7,716.10</u>

NOTE-15 TRADE RECEIVABLES

15.1 Trade Receivables (Unsecured considered good)

15.1.1	Over Six months	366.43	344.35
15.1.2	Others	3340.15	2,643.03
	Total	<u>3706.58</u>	<u>2,987.38</u>



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

	(Rs. in Lacs)	
NOTE	2011-12	2010-11
NOTE-16 CASH AND BANK BALANCES		
16.1 Cash & Cash Equivalents		
16.1.1 Balances with Banks	1.10	7.21
16.1.2 Cash on hand	3.34	1.15
16.2 Other Bank Balances		
16.2.1 Unpaid dividend	15.90	
16.2.2 Fixed deposit with banks against margin money (Above 12 months Rs.105.90 Lacs)	583.68	520.99
	<u>604.02</u>	<u>529.35</u>
NOTE-17 SHORT-TERM LOANS AND ADVANCES		
17.1 Unsecured, Considered goods		
Advances recoverable in cash or kind or for value to be received	550.18	561.86
Total	<u>550.18</u>	<u>561.86</u>
NOTE-18 OTHER CURRENT ASSETS		
18.1 Sundry Deposits	20.66	21.62
18.2 Advance Tax/ Tax Deducted at source	262.05	328.96
18.3 CENVAT	645.63	790.06
18.4 Accrued Interest/ Income	3.95	0.40
Total	<u>932.29</u>	<u>1,141.04</u>
NOTE	2011-12	2010-11
NOTE-19 REVENUE FROM OPERATIONS		
19.1 Sale of Products	33068.67	30204.35
19.2 Other operating revenues	19.52	8.44
	33088.19	30212.79
19.3 Less : Excise Duty	2835.84	2546.05
Total	<u>30252.35</u>	<u>27666.74</u>
NOTE-20 OTHER INCOME		
20.1 Interest Income	158.98	146.80
20.2 Dividend Income	0.10	0.09
20.3 Other Non-operating Income	8.21	14.88
20.4 Net gain/ loss on foreign currency transactions	0.00	44.74
Total	<u>167.29</u>	<u>206.51</u>
NOTE-21 EMPLOYEE BENEFITS EXPENSES		
21.1 Salaries & Wages	1078.75	853.69
21.2 Contribution to provident and other fund	67.49	52.43
21.3 Staff Welfare Expenses	154.44	153.51
21.4 Director Remuneration	65.62	47.97
21.5 P.F on Director Remuneration	5.26	3.80
Total	<u>1371.56</u>	<u>1111.40</u>
NOTE-22 FINANCIAL COST		
22.1 Interest Expenses	969.71	735.06
22.2 Other Borrowing Cost	246.46	241.65



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

(Rs. in Lacs)

NOTE	2011-12	2010-11
NOTE-23 OTHER EXPENSES		
(I) Manufacturing Expenses		
23.1 Stores and Spares Consumed	254.05	191.80
23.2 Power Charges	829.96	702.69
23.3 Freight & Cartage	266.60	241.74
23.4 Repairs & Maintenance	37.52	34.77
23.5 Insurance Charges	11.19	11.52
23.6 Water Charges	33.63	34.31
23.7 Miscellaneous Manufacturing Expenses	753.76	408.95
23.8 Job Work Charges	17.26	28.30
	Sub Total (I)	
	<u>2203.97</u>	<u>1654.08</u>
(II) Administrative Expenses		
23.9 Stationery & Printing	5.84	4.14
23.10 Computer Expense	7.24	4.10
23.11 Rent, Rates and Taxes	31.15	42.34
23.12 Postage, Telegram and Telephones	19.83	17.96
23.13 Auditor's Fees	1.75	1.50
23.14 Conveyance Expenses	7.03	23.48
23.15 Legal & Professional Charges	65.49	78.34
23.16 Miscellaneous Expenses	37.91	30.19
23.17 Director's Meeting Fee	0.19	0.29
	Sub Total (II)	
	<u>176.43</u>	<u>202.34</u>
(III) Selling & Distribution Expenses		
23.18 Advertisement & Publicity	7.79	37.16
23.19 Sales Promotion Expenses	33.84	22.83
23.20 Brokerage & Commission	311.49	251.46
23.21 Freight Outward	443.21	384.20
23.22 Sales Tax & Octroi	14.87	7.63
23.23 Sundry Balances Written off	0.01	45.14
23.24 Travelling Expenses	190.36	123.37
23.25 Bad debts	0.01	6.16
	Sub Total (III)	
	<u>1001.58</u>	<u>877.95</u>
	TOTAL (I+II+III)	
	<u>3381.98</u>	<u>2734.37</u>



NOTE 24

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2012

1. Significant Accounting Policies

(a) Basis of Accounting

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

(b) Principles of consolidation

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

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

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

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

Name of Company	Country of incorporation	% Voting Power held as at 31st March, 2012	% Voting power held as at 31st March, 2011
Kriti Auto Engineering & Plastics Pvt. Ltd (KAEPPL)	India	100	100

(c) Other Significant accounting Policies

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

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

3. Contingent liabilities

a. Estimated amount of contracts remaining to be executed on Capital Account Rs.19.04 lacs net of advance given (Previous Year Rs.292.37Lacs)

b. Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.364.88 lacs (Previous Year Rs.169.85lacs.)

4. Installments of term loans from financial institutions falling due within one year are Rs 625.68.lacs (Previous year Rs.494.00lacs).

5. The amount of Foreign Exchange gain/(loss) included in the profit & loss account is Rs.(169.70 lacs) (Previous Year gain Rs.44.74lacs). Above amount is included in Finance Cost.

6. EARNING PER SHARE

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

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in lacs)	576.45	564.26
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 (F.V. of Rs.1 each)	1.16	1.14
5.	Diluted Earning Per Share (F.V. of Rs.1 each)	1.16	1.14
6.	Nominal Value Per Share	1.00	1.00



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

- (a) Name of the related party and description of relationship:
- i. Key Management Personnel:
Shri Shiv Singh Mehta, Managing Director
Smt. Purnima Mehta, Executive Director
 - ii. Relatives of Key Managerial Personnel
Late Shri Sajjan Singh Mehta (Father of Managing Director)
Shri Saurabh Singh Mehta (Son of Managing Director/ Executive Director)
Miss Devki Mehta (Daughter of Managing Director/ Executive Director)
 - iii. Subsidiary Company
Kriti Auto & Engineering Plastic Pvt. Ltd (Wholly owned Subsidiary Company)
 - iv. Companies/entities under the control of Key Management personnel
 - 1) Sakam Trading Pvt. Ltd. (Holding Company)
 - 2) Kriti Nutrients Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)
 - 3) Chetak Builders Pvt. Ltd. (Subsidiary company of Sakam Trading Pvt. Ltd.)

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

(Rs. In lacs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	DEPB License purchased	NIL (NIL)	NIL (NIL)	NIL (NIL)	567.41 (369.17)
2.	Remuneration	NIL (NIL)	70.88 (47.97)	6.87 (5.40)	NIL (NIL)
3.	RentRent	NIL (NIL)	NIL (NIL)	1.06 (2.11)	8.55 (NIL)
4.	Investments	777 (777)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5.	Unsecured Loan Given Taken	NIL (NIL) NIL (NIL)	NIL (NIL) NIL (NIL)	NIL (NIL) NIL (NIL)	3718.95 (1729.40) 2011.85 (496.69)
6.	Interest	NIL (NIL)	NIL (NIL)	NIL (NIL)	13.45 (56.50)

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

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

As per our report of even date attached
For R.D. ASAWA & Co.
Chartered Accountants

For & on Behalf of the Board of Directors

R.D.Asawa
(Proprietor)
M.No. 16562
Place: Indore
Date:- 26th May 2012

Shiv Singh Mehta
(Managing Director)

Purnima Mehta
(Executive Director)



**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2012**

Rs.in Lacs

Particular	31.03.2012	31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	846.13	878.97
ADJUSTMENT FOR		
DEPRICIATION	426.96	341.84
DIVIDEND RECEIVED	(0.10)	(0.09)
(PROFIT)/LOSS ON SALE OF ASSET	(0.12)	0.00
PRELIMINARY EXPENSES WRITTEN OFF	0.00	0.00
MISCELLANEOUS INCOME	(167.07)	(206.42)
INTEREST PAID	1385.86	976.71
OPERATING PROFIT BEFORE CHANGE OF WORKING CAPITAL	2491.67	1991.01
INCREASE/(DECREASE) IN TRADE PAYABLES	(1051.20)	2425.25
INCREASE/(DECREASE) IN SHOT TERM PROVISIONS	(297.97)	(219.77)
INCREASE/(DECREASE) IN OTHER LONG TERM LIABILITIES	(24.16)	(210.79)
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES	1156.19	(82.42)
(INCREASE)/DECREASE IN INVENTORIES	417.54	(1268.04)
(INCREASE)/DECREASE IN TRADE RECIEVABLES	(969.71)	(951.14)
(INCREASE)/DECREASE IN LONG TERM LOANS AND ADVANCES	(8.32)	121.66
(INCREASE)/DECREASE IN OTHER NON CURRENT ASSETS	(90.00)	1.90
(INCREASE)/DECREASE IN SHORT TERM LOANS AND ADVANCES	16.15	(81.15)
(INCREASE)/DECREASE IN OTHER CURRENT ASSETS	205.11	(60.70)
CASH GENERATED FROM OPERATION	(646.38)	(325.18)
TAXES PAID	(168.17)	(232.55)
NET CASH FLOW FROM OPERATIONS (A)	1677.12	1433.28
CASH FLOW FROM INVESTMENT ACTIVITIES		
DIVIDEND INCOME	0.10	0.09
MISCELLANEOUS INCOME	167.07	206.42
SALE PROCEEDS OF FIXED ASSETS (NET)	6.36	0.00
PURCHASE OF FIXED ASSETS	(1106.26)	(887.13)
SALE OF FIXED ASSETS	0.00	0.00
(INCREASE)/DECREASE IN FIXED DEPOSITS HAVING MATIRUTY OF MORE THAN THREE MONTHS	0.00	0.00
(INCREASE)/DECREASE IN INVESTMENTS	0.00	0.00
NET CASH FLOW FROM INVESTING ACTIVITIES(B)	(932.73)	(680.62)
CASH FLOW FROM FINANCING ACTIVITIES		
INCREASE/ (DECREASE) IN SHARE CAPITAL	0.00	0.00
INCREASE/ (DECREASE) IN LONG TERM BORROWINGS	186.16	(342.74)
INCREASE/ (DECREASE) IN SHORT TERM BORROWINGS	529.98	192.23
INTEREST EXPENSES	(1385.86)	(976.71)
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	(669.73)	(1127.22)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT[A+B+C]	74.66	(374.56)
ADD : OPENING CASH & CASH EQUIVALENTS	529.35	903.91
CASH & CASH EQUIVALENT AT THE END OF THE PERIOD	604.01	529.35

Last year figures has been regrouped and reclassified wherever applicable

As per our Report of even dated attached.

For and on behalf of the Board of Directors

For R.D.Asawa & Co.

Chartered Accountants

R.D.Asawa

(Proprietor)

M.No. 16562

Place: Indore

Date:- 26.05.2012

Shiv Singh Mehta

(Managing Director)

Purnima Mehta

(Executive Director)



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

Name of the subsidiary company	Financial year ending of the subsidiary company	Nature of Equity shares held	Extent of holding	For the financial year of the subsidiary	For the previous financial years since it became a subsidiary
				Profit/(losses) so far as it concerns the members of the holding company and dealt with in the holding company accounts	Profit/(losses) so far as it concerns the members of the holding company and dealt with in the holding company accounts
Kriti Auto & Engineering Plastics Private Limited	31.03.2012	38,85,000 of Rs 10/- each	100%	17.96	100.29
				--	--

For and on behalf of the Board of Directors

Shiv Singh Mehta
(Managing Director)

Smt. Purnima Mehta
(Executive Director)

Place Indore
Dated 26.05.2012



SUBSIDIARY COMPANIES PARTICULARS.

Particulars regarding subsidiary company, in accordance with General Circular No:02/2011 dated 8th February,2011 from the Ministry of Corporate Affairs

Name of Subsidiary company	Rs. in Laacs									
	Issued and subscribed share capital	Reserves Assets	Total Liabilities [excl. (2)]	Total included in total & (3)	Investment (Loss) before assets	Turnover for taxation	Profit/ (Loss) after taxation	Provision dividend	Profit/	Proposed
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Kriti Auto & Engineering plastic Private Limited	388.50	505.75	1934.11	1039.86	---	2431.90	23.20	5.24	17.96	--

For and on behalf of the Board of Directors

Shiv Singh Mehta
(Managing Director)

Smt.Purnima Mehta
(Executive Director)

Place Indore
Date 26.05.2012



Notes

A large rectangular area with rounded corners, outlined in grey, containing 20 horizontal dotted lines for writing notes.



KRITI INDUSTRIES (INDIA) LTD.
Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452 007

ECS MANDATE FORM

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

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

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

Certificate of the Investor's bank

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

Bank stamp

Dated
Signature of the authorized
official of the bank

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



KRITI INDUSTRIES (INDIA) LTD.

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

ADMISSION - SLIP

Folio No. :

Please bring your copy of the Annual Report to the Meeting

No. of Shares Held :

I hereby record my presence at the 22nd Annual General Meeting of the Company being held at Chetak Chambers, 4th Floor, 14, R.N.T. Marg, Indore - 452 001 (M.P.) on Saturday the 24th September, 2012 at 3.00 P.M.

Name of the Shareholder

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

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

Notes :

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

KRITI INDUSTRIES (INDIA) LTD.

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

PROXY - FORM

I/We _____ of _____ being a member/members of KRITI INDUSTRIES (INDIA) LIMITED hereby appoint Shri/ Smt. /Km. _____ of _____ or failing him/her Shri /Smt. /Km. _____ of _____ failing him/her Shri /Smt./Km. _____ of _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday the 24th September, 2012 at 3.00 P.M. and at any adjournment thereof.

Signed this day of2012

<i>Affix One</i>
<i>Rupee</i>
<i>Revenue</i>
<i>Stamp</i>

Folio No :

No. of Shares Held :

Signatures

Note :

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

BOOK-POST



Kriti Industries (India) Limited

M/s. Ankit Consultancy Pvt. Ltd.
60, Electronics Complex,
Pardeshipura,
Indore - 452010
