



## KRITI NUTRIENTS LIMITED ANNUAL REPORT 2011-2012



**सर्जना, सर्जक एवं सृष्टि की त्रिवेणी में उद्देलित  
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**

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### Directors

- |  |                       |
|--|-----------------------|
| 1. Shri Shiv Singh Mehta - Managing Director     | 4. Dr. Somnath Ghosh  |
| 2. Shri Saurabh Singh Mehta - Executive Director | 5. Shri Manoj Fadnis  |
| 3. Smt. Purnima Mehta                            | 6. Shri Prakash Pethe |

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### Auditor

R. S. Bansal & Co.  
Chartered Accountants  
Urvashi 1st Floor, 3 Jaora Compound,  
Indore - 452001

### Registered Office

Mehta Chambers, 34, Siyaganj, Indore - 452007

### Corporate Support Center

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

### Bankers

State Bank of India  
State Bank of Travancore  
IDBI Ltd.  
The Cosmos-Co-operative Bank Limited

### Share Transfer Agent

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





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NOTICE

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of KRITI NUTRIENTS LIMITED will be held on Saturday the 22nd of September, 2012 at 4:30 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 Smt. Purnima Mehta, who is liable to retire by rotation, and being eligible offers herself for re-appointment.
4. To appoint M/s R.S. Bansal & Co., Chartered Accountants, Indore, as Auditors of the Company from the conclusion of this Annual General 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,

Sumit Jaitely  
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has 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 the 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 desires 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 interested 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	Smt. Purnima Mehta
Date of Birth	25.05.1960
Date of appointment	26.12.2009
Expertise in Specific areas	Accounts & Finance, Purchases, IT, HR & Administration
Qualification	B.A. (Hons), PGDBM
List of Outside	Kriti Industries (India) Limited
Directorship held	Chetak Builders Pvt. Ltd. Sakam Trading Pvt. Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	Member: Audit Committee
Chairman/ member of the Committees of Director of other companies in which he/she is a Director	
(a) Audit Committee	Nil
(b) Investors' Grievance Committee	Nil
(C) Remuneration Committee	Nil
(d) Compensation committee	Nil
No & Percentage of Shares held	No. of Shares: 120692 Percentage of shares: 0.24



## DIRECTORS' REPORT

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

### FINANCIAL RESULTS

The performance of the Company for the Year 2011-12 is summarized below:

(Rs. in Lacs)

PARTICULARS	Year 2011-12	Year 2010-11 (15 Months)
Total Income	45784.66	45122.67
Profit/(Loss) before Interest, Depreciation & Taxes	1760.62	2479.28
Less: Interest	952.04	1053.37
Profit before depreciation	808.58	1425.91
Less: Depreciation	230.32	270.65
Profit/ (Loss) before tax	578.26	1155.26
Provision for Taxation	181.68	405.84
Net Profit/(loss)	396.58	749.42
Less: Prior year Income/Expenditure	0.00	0.00
Add: Transfer from reserves	0.00	0.00
Add: Balance Brought Forward	435.49	(1.58)
Profit available for Appropriation	832.07	747.84
Proposed Dividend	75.16	75.16
Corporate Dividend Tax	12.19	12.19
Transferred to General Reserve	200.00	200.00
Transferred to Contingency Reserve	0.00	25.00
Balance Carried over to Balance Sheet	544.72	435.49

### YEAR IN RETROSPECT

The Company has achieved total Turnover of Rs. 45784.66 lacs including exports of Rs. 20907.05 lacs and Profit before Tax Rs. 578.26 and Profit after Tax Rs. 396.58 lacs.

### DIVIDEND:

Your directors are pleased to recommend a dividend of 15% for the financial year 2011-2012 on 50103520 Equity Shares of Rs. 1/- each aggregating to Rs. 75.16 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.

### 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 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 period 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, Kasta Pipes Private Limited and Shipra Pipes Private Limited (Transferor Companies) are Merged with Sakam Trading Private Limited (Transferee Company).

All the above companies belong to the same promoter group.

### DIRECTORS:

Smt. Purnima Mehta retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.

### 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.

AUDITORS AND AUDITOR REPORT

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

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

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

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

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 on continuous Basis.

(c) Impact of above measures:

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

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

As per Form "A" Annexed.

## A. POWER AND FUEL CONSUMPTION

	12 Months period ended March, 2012	15 Months period ended March, 2011
1. Electricity		
a) Purchased Units	8419744	9323484
Total Amount (Rs.)	48198611	50059446
Rate/Unit (Average Rs.)	5.72	5.37
b) Own Generation		
i) Units	96280	65349
Units per ltr. of Diesel Oil (Rs.)	3.25	3.18
Cost per unit (Rs.)	12.70	13.83
ii) Through Steam Turbine / Generator Unit/ Unit per ltr. of Diesel oil Cost/Unit	-	-
2. Coal (specify quality & where used) RDM/Steam B Grade used in Boiler		
Quantity (Tones)	13435	14829
Total Cost (Rs.)	77681780	63294704
Average Rate (Rs.)	5782	4268
3. Furnace Oil		
Quantity (K.Ltr.)	-	-
Total Amount	-	-
Average Rate	-	-
4. Others/internal Generation		
Total Cost	-	-
Quantity	-	-
Rate/Unit	-	-



## (B) CONSUMPTION PER UNIT OF PRODUCTION

	EXTRACTION		REFINERY		LECITHIN	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Electricity (Units per ton)	42.00	42.26	70.66	66.71	109.14	109.86
Coal (Specify quality) (Kg. per ton)	55.00	69.06	134.97	101.5	320.13	318.60

## (B) TECHNOLOGY ABSORPTION

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

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

## (b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

## (C) FOREIGN EXCHANGE EARNING &amp; OUTGO

(Rs. In Lacs)

	12 Months period ended March, 2012	15 Months period ended March, 2011
1. Earning		
FOB value of Exports	15934.21	20133.10
2. Outgoing		
a) CIF Value of Imports	89.25	108.64
b) Expenditure in Foreign Currency	30.07	61.50





## 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:

### BOARD OF DIRECTORS

The Board of Directors of the Kriti Nutrients 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 six Directors. Out of which four are non-executive directors. Three out of the four non-executive directors are independent.

Directors retiring by rotation and seeking for appointment / re-appointment

Smt. Purnima Mehta retires by rotation and being eligible offers himself 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	Smt. Purnima Mehta
Date of Birth	25.05.1960
Date of Appointment	26.12.2009
Expertise in specific area	Accounts & Finance, Purchases, IT, HR & Administration
Qualification	B.A. (Hons), PGDBM
List of Outside Directorship held	Kriti Industries (India) Limited Chetak Builders Pvt. Ltd. Sakam Trading Pvt. Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	Member: Audit Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director	
(a) Audit Committee	Nil
(b) Investors' Grievance Committee	Nil
(c) Remuneration Committee	Nil
No & Percentage of Shares held	No. of Shares: 120692 Percentage of shares: 0.24

The composition of the Board of Directors and the number of board committee in which they are chairman/ member 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
Shri Shiv Singh Mehta	Promoter & Managing Director	Two	Nil	Four
Smt. Purnima Mehta	Promoter & Non-Executive Director	One	Nil	Nil
Shri Manoj Fadnis	Independent & Non-Executive Director	Three	One	Two
Shri Saurabh Singh Mehta	Executive Director	Nil	Nil	Nil
Shri Prakash Pethe	Independent & Non-Executive Director	Nil	Nil	Nil
Dr. 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 names and categories of the Directors on the Board, their record of attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorship and membership of Committees held by them in other public limited companies as on 31st March, 2012 are:

	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 30th June, 2010
Smt. Purnima Mehta	4	4	Yes
Shri Shiv Singh Mehta	4	4	Yes
Shri Manoj Fadnis	4	4	No
Shri Somnath Gosh	4	1	No
Shri Saurabh Singh Mehta	4	4	Yes
Shri Prakash M. Pethe	4	4	No

**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 292 A 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 Prakash Pethe	Member
Smt. Purnima Mehta	Member

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

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

Four 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 Prakash Pethe	4
Smt. Purnima Mehta	4

**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 Manoj Fadnis	Chairman
Shri Somnath Ghosh	Member
Shri Prakash Pethe	Member

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

Remuneration to Managing Director and Executive Director

Shri Shiv Singh Mehta, Managing Director of the Company was appointed with Nil remuneration.

The terms of remuneration of Shri Saurabh Singh Mehta, Executive Director has already been fixed by the Board of directors and to be approved by the shareholders at ensuring Annual General Meeting. During the financial year 2011-12, the particulars of remuneration paid to Whole-time Director is as under: -

(Rs. in Lacs)

Name of the Director	Salary	Perquisites	Commission	Period of Contract
Shri Saurabh Singh Mehta	13.44	4.50	5.50	3 Years starting from 1st August, 2010

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 Manoj Fadnis	8000
2	Shri Somnath Ghosh	1000
3	Shri Prakash M. Pethe	8000
4	Smt. Purnima Mehta	8000

#### 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. 2.13 of Notes on Accounts, forming part of the Annual report. All related party transactions are negotiated on arms length basis and are intended to further the interest of the company.

B. Disclosure of non-compliance by the Company:

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

#### COMMUNICATION TO SHAREHOLDERS

As per the relevant regulations of Stock Exchanges and SEBI the Company will publish quarterly and yearly as required under the Listing Agreement in the prescribed format. The results will be 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 will be sent to the shareholders well in advance of the AGM.

#### INVESTORS' GRIEVANCE COMMITTEE

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

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

#### 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	Mehta Chambers, 34 Siyaganj, Indore	30th September, 2009	9.00 A.M.
2009-2010	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	30th September, 2010	3.00 P.M.
2010-2011	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	24th September, 2011	4.00 P.M.



GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

The Annual General Meeting of the Company will be held on Saturday, the 22nd of September, 2012 at 4:30 P.M. at Corporate Support Center of the company situated at "Chetak Chambers" 4th Floor, 14 R.N.T. Marg, Indore.

Financial Calendar for the year 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

The Company's shares are traded on BSE and MPSE

The Company's shares are presently listed on the Bombay Stock Exchange Limited, 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 533210  
NSDL & CDSL-ISIN: - INE798K01010

Market Price Data (Rs.)

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

Month	High (Rs.)	Low (Rs.)
April, 2011	7.87	5.15
May, 2011	6.97	4.75
June, 2011	6.00	4.32
July, 2011	6.75	4.36
August, 2011	5.99	3.81
September, 2011	5.49	3.84
October, 2011	5.62	3.73
November, 2011	5.38	3.57
December, 2011	5.68	4.06
January, 2012	6.30	4.13
February, 2012	6.19	4.20
March, 2012	6.00	4.91

Share Transfer System

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

Ankit Consultancy Pvt. Limited  
Plot No. 60, Electronic Complex, Pardeshipura  
Indore- 452 010 (M.P)  
Tel: 0731-2551745, 0731-2551746  
Fax: 0731-4065798  
E-mail: ankit\_4321@yahoo.com



## Shareholding Pattern &amp; Distribution of Shareholding

## Shareholding Pattern as on 31.03.2012

Category	No. of Shares held	Percentage of Shareholding
<b>A. Promoter's holding</b>		
1. Promoters		
a. Indian Promoters	33096878	66.06
b. Foreign Promoters		
2. Persons acting in concert		
Sub-Total	33096878	66.06
<b>B. Non-Promoter's holding</b>		
3. Institutional Investors		
a. Financial Institution and Banks	1600	0
b. FIIs		
Sub-Total	1600	0
4. Others		
a. Corporate Bodies	1646965	3.29
b. Indian Public	15175706	30.29
c. NRIs/OCBs	176111	0.35
d. Any Other (Clearing Member)	6260	0.01
Sub-Total	17005042	33.94
<b>GRAND TOTAL</b>	<b>50103520</b>	<b>100</b>

## Distribution of Shareholding as on 31st March, 2012

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	4065	66.74
1001-2000	1073	17.62
2001-3000	294	4.83
3001-4000	335	5.5
4001-5000	49	0.8
5001-10000	135	2.22
10001 above	140	2.29
Total	6091	100.00

## Dematerialisation of Shares &amp; Liquidity

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

## Details of Demat Shares as on 31st March 2012

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2250	41741553	83.32
CDSL	1205	4907487	9.8
Sub-Total	3455	46649040	93.12
Shares in physical form	2636	3454480	6.88
Grand Total	6091	50103520	100



## Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

## Plant locations of the Company

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

## Address for communication

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

Ankit Consultancy Pvt. Limited

Plot No. 60, Electronic Complex

Pardeshipura

Indore- 452 010 (M.P)

Tel: 0731-2551745, 0731-2551746

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 COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Shareholders of Kriti Nutrients Limited

We have examined the compliance of the conditions of Corporate Governance by Kriti Nutrients Limited, Indore for the period ended 31st March, 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. S Bansal and Company  
Chartered Accountants

SD/-

Place : Indore

Date : 28th July, 2012

Partner



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

The primary business of your Company is processing of soya bean-seeds and refining of crude oil for edible use. The company produces soya meal, soya refined oil and value added products from downstream and upstream.

In India Madhya Pradesh is the leading state in producing soybean followed by Maharashtra, Rajasthan and Andhra Pradesh. Soyabean production in India is around 10-11 million tonnes and on an average Madhya Pradesh produces 65 % of India's total soybean crop. The crop has exhibited a vast potential as a monsoon season crop mainly in Central India and surrounding States.

### INTERNATIONAL SOYA CROP SCENARIO:

The global production of Soya Bean is around 250 million tonnes. United States, the largest Soya Bean growing country in the world, has the same soya cycle period as India. The South American Countries like Brazil and Argentina are the second and third largest soya bean growing countries respectively.

Export of Soyabean Meal during FY 2011-2012 were 3.46 Million MT as against 3.85 Million MT in FY 2010-2011. Though demand is growing at a moderate rate a slight shift towards India can be big quantity from Indian view point.

### OPPORTUNITY:

Company is exporting soya meal of high protein quality to dedicated customers on long term business relationship basis. Company is further expanding its export business in value added products in the international market.

"Kriti" soya cooking refined oil having its brand value and new markets are available for expanding business.

### THREATS:

High volatility of seed prices associated with speculation at large scale is a cause of concern. Forex rate fluctuation and parity in business is depending on international demand.

Excess crushing capacity and new entrants with government incentives with regard to taxation is also attracting unhealthy competition.

### BUSINESS STRATEGY:

Company markets its High Protein SBM mainly to South East Asian Countries and the company's focus will be on: -

- ◆ Entering in to value added products.
- ◆ Strengthening domestic market
- ◆ Introduction of higher grade SBM
- ◆ Customer education on quality, adulteration and certification
- ◆ Strengthening Distribution network
- ◆ Promotion of Brand

### 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.



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AUDITOR'S REPORT

To,  
The Member of  
Kriti Nutrients Limited,

We have audited the attached Balance-Sheet of KRITI NUTRIENTS LIMITED as at 31-03-2012 and also the Statement of Profit & Loss and 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.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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.

- 1) As required by the Companies (Auditors Report) Order, 2003 (CARO) issued by Central Government under Section 227(4A) of the Companies Act, 1956 (here-in-after referred to as the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement to the matters specified in Paragraph 4 & 5 of the said order to the extent applicable to Company.
- 2) Further to our comments in the Annexure referred to paragraph 1 above we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge & beliefs were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company.
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - e) On the basis of 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 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 together with notes to accounts, gives 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 principals generally accepted in India: -
    - i) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31st, 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 the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR : R. S. BANSAL AND COMPANY  
CHARTERED ACCOUNTANTS  
FRN: 000939C

(VIJAY BANSAL)  
PARTNER  
M.NO.075344

Place: Indore  
Date : 26-05-2012





ANNEXURE TO THE AUDITOR'S REPORT AS REFERRED IN PARAGRAPH ONE OF REPORT OF EVEN DATE TO THE MEMBERS OF KRITI NUTRIENTS LIMITED FOR THE YER ENDED ON 31-03-2012

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

1. In respect of its fixed assets:
  - a. As informed to us, the Company has maintained proper records, on yearly basis, showing full particulars, including quantitative details and situation of fixed assets. The records have been maintained on computer system through SAP.
  - b. As informed to us, the Company has physically verified fixed assets during the year. According to information and explanation given to us no material discrepancies were noticed on such verification.
  - c. In our opinion and according to the information and explanation given to us, the Company has not disposed off Substantial assets during the year which has affected its status as going concern.
2. In respect of its inventories:
  - a. The inventory of the Company has been physically verified during the year by the management at regular interval.
  - b. In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock as compared to book records.
3. In respect of loans secured or unsecured granted by the company:
  - a. As per information and explanation given to us, the Company has granted unsecured loans to parties covered under Section 301. The details are as under :-

Name	Maximum Amount (In Rs.)	Amount Outstanding (In Rs.)
Kriti Industries (I) Ltd. (A subsidiary of Holding Company)	7,88,75,827/-	NIL

- b. The Company has charged interest on such loans, as per information made available to us, the other terms and conditions are prima facie not prejudicial to the interest of the company.
  - c. As per information and explanation given to us, repayment of principal and interest is as per the agreed terms.
  - d. As explained and informed to us, no amount is over due as at the end of the year.
4. In respect of loans secured or unsecured granted by the company:
  - a. According to the information and explanation given to us, the Company has obtained unsecured loans from parties covered under Section 301.

The details are as under :-

Name	Maximum Amount (In Rs.)	Amount Outstanding (In Rs.)
Kriti Corporate Services Pvt. Ltd. (Merged with Sakam Trading Pvt. Ltd. vide order of Hon'ble High Court dated 01.11.2011 and merger affected on 27.02.2012)	2,65,56,384/-	2,65,50,745/-
Kriti Industries (I) Ltd. (Subsidiary Company of Holding Company)	6,68,25,317/-	90,00,000/-

- b. The Company has paid interest on such loans, as per information made available to us, the other terms and conditions are prima facie not prejudicial to the interest of the company.
  - c. As per information and explanation given to us, repayment of principal and interest is as per the agreed terms.
5. In our opinion and according to the information and explanation given to us, there are adequate Internal Control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.



6. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a. As explained & informed to us Company has entered all transactions, which are required to be entered in the register maintained in pursuant of the Section 301 of the Companies Act, 1956.
  - b. As per information and explanation given to us, the transactions have been entered at reasonable prices having regard to the prevailing market price at the relevant time.
7. In our opinion and according to the information and explanations given to us, the Company neither accepted nor invited any deposits from public within the provision of Section 58A, 58AA of Companies Act, 1956 and rules made there under .
8. As explained and informed to us, the Company has its own system for Internal Audit, which seems to be reasonable looking the size and nature of its business.
9. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the refining activities of the company to which said rules are made applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examinations of the records with a view to determined whether they are accurate or complete.
10. In respect of statutory dues:
  - a. According to information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty & Cess Investor Education and Protection Fund, which are outstanding for a period of more than 6 months as at the last date of financial year from the date they became payable.
  - b. According to the information & explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty & cess which have not been deposited on account of any dispute, except the following -

S. No.	Name of the Statue	Forum where Dispute is pending	Period to which the amounts relates	Amount in Rs.
1.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2004-05	21,55,460
2.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2005-06	81,41,497
3.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2005-06	8,95,411
4.	VAT	APPELLATE BOARD, BHOPAL	2006-07	8,70,630
5.	CENTRAL SALES TAX	M. P. HIGH COURT, JABALPUR	2006-07	1,14,25,030
6.	CENTRAL SALES TAX	APPELLATE BOARD, BHOPAL	2005-06	32,699
7.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2004-05	7,99,081
8.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2005-06	50,31,195
9.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2006-07	5,13,848
10.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2007-08	18,22,609
11.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2008-09	3,90,591
12.	ENTRY TAX	ADDT.COMMISSIONER, INDORE	2006-07	22,14,904
13.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2008-09	19,71,548

- 11 As informed and explained to us there is no accumulated cash losses of the Company. Further, the Company has not incurred any cash losses during the period covered by the report and immediately preceding the financial year.
12. Based on our audit and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any loan from Financial Institutions or Banks.
13. According to the information and explanation given to us, the Company has not given any loans and advances on the basis of security by way of Pledge of Shares, debentures and other securities.



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

FOR: R. S. BANSAL AND COMPANY  
CHARTERED ACCOUNTANTS  
FRN: 000939C

(VIJAY BANSAL)  
PARTNER  
M.NO.075344

Place: Indore  
Date : 26-05-2012



## BALANCE SHEET AS AT 31.03.2012

(Rs. in Lacs)

PARTICULARS	Note No.	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	501.04	501.04
Reserves and Surplus	2	1224.34	956.05
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	687.96	747.48
Deferred tax liabilities (Net)		381.19	359.52
Other Long term liabilities	4	397.42	52.07
<b>Current Liabilities</b>			
Short-term borrowings	5	191.20	4390.79
Trade payables	6	1648.93	2137.01
Other current liabilities	7	451.06	541.40
Short-term provisions	8	264.09	491.74
<b>Total</b>		<u>5747.23</u>	<u>10177.10</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	3168.36	2687.16
Intangible assets	10	66.88	0.00
Capital work-in-progress		1.60	134.38
Non-current investments	11	8.41	7.41
Long term loans and advances	12	58.39	41.10
<b>Current assets</b>			
Inventories	13	974.65	4355.78
Trade receivables	14	328.36	1495.96
Cash and bank balances	15	344.59	202.83
Short-term loans and advances	16	360.63	277.15
Other current assets	17	435.36	975.33
<b>Total</b>		<u>5747.23</u>	<u>10177.10</u>

Significant accounting policies &amp; other notes to the accounts 23

As per our Report of even dated attached

For R.S.Bansal &amp; Company

Chartered Accountants

FRN:000939C

For and on behalf of the Board of Directors

Vijay Bansal

*(Partner)*

M.No. 075344

Shiv Singh Mehta

*(Managing Director)*

Purnima Mehta

*(Director)*

Sumit Jaitely

*(Company Secretary)*

Place: Indore

Date:- 26.05.2012



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

(Rs. in Lacs)			
PARTICULARS	Note No.	2011-12	2010-11 (15 months)
Revenue :			
Revenue from operations	18	45728.28	45056.47
Less : Excise Duty		<u>(37.03)</u>	<u>(8.59)</u>
		45691.25	45047.88
Other Income			
	19	56.37	66.19
	Total Revenue	<u>45747.62</u>	<u>45114.07</u>
Expenses:			
Cost of materials consumed		38213.47	37917.09
Increase/(decrease) in inventories of finished goods, work-in-progress and stock-in-Trade		704.87	(437.07)
Employee benefit expense	20	414.88	441.33
Financial costs	21	952.04	1053.37
Depreciation and amortization expense	9-10	230.32	270.65
Other expenses	22	4653.78	4713.44
	Total Expenses	<u>45169.36</u>	<u>43958.81</u>
Profit before tax		578.26	1155.26
Tax expense:			
Current tax		(160.00)	(389.00)
Deferred tax		<u>(21.68)</u>	<u>(16.84)</u>
Profit(Loss) for the period		396.58	749.42
Profit/(Loss) for the period		<u>396.58</u>	<u>749.42</u>
Earning per equity share:			
(1) Basic		0.79	1.50
(2) Diluted		0.79	1.50

Significant accounting policies & other notes to the accounts 23

As per our Report of even dated attached

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

For and on behalf of the Board of Directors

Vijay Bansal  
(Partner)  
M.No. 075344

Shiv Singh Mehta  
(Managing Director)

Purnima Mehta  
(Director)

Sumit Jaitely  
(Company Secretary)

Place: Indore  
Date:- 26.05.2012



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
<b>NOTE NO -1 SHARE CAPITAL</b>		
<b>1.1 AUTHORIZED</b>		
1.1.1 100000000 Equity Shares of Rs. 1/- each	<u>1000.00</u>	<u>1000.00</u>
<b>1.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
1.2.1 50103520 equity shares of Rs 1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench (Each equity share has one voting right )		
1.2.2 Reconciliation of shares		
1.2.2.1 Opening Balance of 50103520 shares of Rs. 1/- each	501.04	501.04
1.2.2.2 Issued during the year	0.00	0.00
1.2.2.3 Closing Balance 50103520 shares of Rs. 1/- each	<u>501.04</u>	<u>501.04</u>
<b>1.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
1.3.1 SAKAM TRADING PRIVATE LIMITED (HOLDING COMPANY)		
Current year :		
No. of Shares: 26099473		
% of Shares: 52.09%		
Previous year :		
No. of Shares: 5444173		
% of Shares: 10.87%		
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 Nutrints Ltd.		
1.3.2 CHETAK BUILDERS PRIVATE LIMITED ( ASSOCIATE COMPANY )		
Current Year:		
No. of Shares: 4608158		
% of Shares: 9.20%		
Previous year :		
No. of Shares: 4469258		
% of Shares: 8.92%		
1.3.3 KRITI CORPPORATE SERVICES PVT. LTD		
Current Year:		
No. of Shares: Nil		
% of Shares: Nil		
Previous year :		
No. of Shares: 20017600		
% of Shares: 39.95%		



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

(Rs. in Lacs)

NOTE	As at 31.03.2012	As at 31.03.2011
<b>NOTE NO -2 RESERVES &amp; SURPLUS</b>		
<b>2.1 RESERVES</b>		
2.1.1 General Reserve	200.00	0.00
2.1.2 Add: Transfer from P&L	200.00	200.00
2.1.3 Closing Balance	<u>400.00</u>	<u>200.00</u>
<b>2.2 CAPITAL RESERVE</b> (Arosen due to scheme of arrangement)	<u>295.56</u>	<u>295.56</u>
<b>2.3 CONTINGENCY RESERVE (Free Reserve)</b>		
2.3.1 Opening Balance	25.00	0.00
2.3.2 Add: Transfer from P&L	0.00	25.00
2.3.3 Closing Balance	<u>25.00</u>	<u>25.00</u>
<b>2.4 Exchange Fluctuation Reserve</b> (Refer point no 1.9 (d) of Note No. 23 )	(40.94)	0.00
<b>2.5 SURPLUS</b>		
2.5.1 Statement of Profit & Loss		
2.5.1.1 Opening Balance	435.49	-1.58
2.5.1.2 Add Profit & Loss during the period	<u>396.58</u>	<u>749.42</u>
	832.07	747.84
<b>Less:</b>		
2.5.2 Proposed Dividend @ Rs.0.15 per share	75.16	75.16
2.5.3 Corporate Dividend Tax	12.19	12.19
2.5.4 Transferred to General Reserve	200.00	200.00
2.5.5 Transferred to Contingency Reserve	0.00	25.00
Balance in Surplus	<u>544.72</u>	<u>435.49</u>
<b>Total</b>	<u>1224.34</u>	<u>956.05</u>

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

(Installment due with in 12 months shown in Current Liabilities)

**3.1.1 SECURED****3.1.1.1 From Banks****a) IDBI Bank Ltd.**

(i) (Repayable in 9 Qrtly installments of Rs.16 lacs each,

Last installment due on 1st April 2014

Rate of Interest 15.25% p.a.at year end.)

(ii) (Repayable in 17 monthly installments of Rs.11 lacs each,

Last installment due on 1st September, 2013

Rate of Interest 15.25% p.a.at year end.)

80.00

196.51

58.00

160.06



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

		(Rs. in Lacs)	
NOTE		As at 31.03.2012	As at 31.03.2011
b) State Bank of Hyderabad (Repayable in 18 qtrly installments of Rs.36 lacs each , Last installment due on 31st December, 2014 Rate of Interest: 15.75% p. a. at year end)		259.79	390.91
c) COSMOS BANK (Repayable in 25 monthly installments of Rs. 12 lacs each , Last installment due on 31st December, 2014 Rate of Interest: 14.50% p.a.at year end) (Above loans are secured / to be secured by First charge/ Mortgage on fixed assets on pari passu basis of the company and personal guarantee of Managing Director and Executive Director)		290.17	0.00
	Total	<u>687.96</u>	<u>747.48</u>
<b>NOTE No.4 OTHER LONG TERM LIABILITIES</b>			
Unsecured			
4.1 Loans and advances from related parties		355.00	0.00
4.2 Other Long Term Liabilities (Refer point no.2.9 of note no.23)		42.42	52.07
	Total	<u>397.42</u>	<u>52.07</u>
<b>NOTE NO -5 SHORT TERM BORROWINGS</b>			
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 and Executive Director)		191.20	4390.79
	Total	<u>191.20</u>	<u>4390.79</u>
<b>NOTE NO -6 TRADE PAYABLES</b>			
6.1 Trade Payable		1648.93	2137.01
	Total	<u>1648.93</u>	<u>2137.01</u>
<b>NOTE NO -7 OTHER CURRENT LIABILITIES</b>			
7.1 Outstanding Expenses		65.79	149.34
7.2 Statutory Liabilities		30.93	45.06
7.3 Current maturities of Long term debt (Refer point no.2.4 of note no.23)		352.03	347.00
7.4 Unpaid dividends		2.31	0.00
	Total	<u>451.06</u>	<u>541.40</u>
<b>NOTE NO -8 SHORT TERM PROVISIONS</b>			
8.1 Provision for employees benefits (bonus)		16.74	15.39
8.2 Provision of Income Tax		160.00	389.00
8.3 Proposed dividend		75.16	75.16
8.4 Corporate Dividend Tax		12.19	12.19
	Total	<u>264.09</u>	<u>491.74</u>





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

NOTE NO. 9 &amp; 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	50.83	14.47	0.00	65.30	0.00	0.00	0.00	0.00	65.30	50.83
9.2	Factory Building	845.42	90.19	0.00	935.61	270.70	30.04	0.00	300.74	634.87	574.73
9.3	Plant & Machinery	3520.52	558.26	0.00	4078.78	1473.74	192.05	0.00	1665.79	2412.99	2046.78
9.4	Dies & Moulds	17.57	4.83	0.00	22.40	11.81	1.44	0.00	13.25	9.15	5.76
9.5	Vehicles	2.74	40.48	0.00	43.22	2.28	4.39	0.00	6.67	36.55	0.45
9.6	Furniture & Fixture	34.42	0.28	0.00	34.70	26.82	1.16	0.00	27.98	6.72	7.60
9.7	COMPUTER	23.39	2.10	0.00	25.49	22.38	0.32		22.70	2.78	1.01
	TOTAL(9)	4494.89	710.61	0.00	5205.50	1807.73	229.40	0.00	2037.13	3168.36	2687.16
10	INTANGIBLE										
10.1	Software	0.95	0.00	0.00	0.95	0.95	0		0.95	0.00	0.00
10.2	LICENCE(SAP)	0.00	67.79		67.79	0.00	0.92		0.92	66.88	0.00
10.3	Goodwill	7.98		0.00	7.98	7.98	0.00	0	7.98	0.00	0.00
	TOTAL(10)	8.93	67.79	0.00	76.72	8.93	0.92	0.00	9.85	66.88	0.00
	GRANDTOTAL (9+10)	4503.82	778.40	0.00	5282.22	1816.66	230.32	0.00	2046.98	3235.24	2687.16
	Previous Period	4467.39	39.46	3.03	4503.82	1548.22	270.65	2.21	1816.66	2687.16	

(Rs. in Lacs)

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

## Trade Investment in equity instruments

## 11.1 Unquoted

11.1.1	The Cosmos Co-operative Bank Ltd. 10000 Equity Shares of Rs.10/- each (Pre. Yr.Rs. Nil)	1.00	0.00
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## Non Trade Investment in equity instruments

## 11.2 Quoted

11.2.1	I.D.B.I (2880 Equity Shares of Rs. 10/- each (Market Price as on 31.03.2012 Rs. 3.02 lacs (Prv. Yr. Rs. 4.10 lacs))	2.34	2.34
11.2.2	Reliance Power Ltd (25 shares of Rs. 10/- each) (Market value as on 31.03.2012 Rs..03 lacs (Prv. Yr. Rs. .03 lacs))	0.07	0.07
11.2.3	SBI Mutual Fund 50000 units of Rs. 10 each (Market price as on 31.03.2012 Rs.5.16 lacs (Prv. Yr. Rs.5.42 lacs)) (Refer point no.1.5 of note No.23)	5.00	5.00

Total	<u>8.41</u>	<u>7.41</u>
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## NOTE-12 LONG TERM LOANS AND ADVANCES

## 12.1 SECURITY DEPOSITS

Total	<u>58.39</u>	<u>41.10</u>
Total	<u>58.39</u>	<u>41.10</u>

## NOTE-13 INVENTORIES

13.1	Raw Material	256.22	2962.00
13.2	Finished Goods	337.56	1042.44
13.3	Stores and Spares & others	380.87	351.34
	(Mode of valuation of above stocks are as per point no.1.6 of notes no 23)		

Total	<u>974.65</u>	<u>4355.78</u>
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## NOTES Forming Part of The Balance Sheet and Statement of Profit &amp; Loss

	(Rs. in Lacs)	
NOTE	As at 31.03.2012	As at 31.03.2011
<b>NOTE-14 TRADE RECEIVABLES</b>		
14.1 Trade Receivables (Unsecured Considered good)		
14.1.1 Over Six months	25.85	77.15
14.1.2 Others	302.51	1418.81
Total	<u>328.36</u>	<u>1495.96</u>
<b>NOTE-15 CASH AND BANK BALANCES</b>		
15.1 Cash & Cash Equivalents		
15.1.1 Balances with Banks	6.82	13.15
15.1.2 Cash on hand	2.98	5.90
15.2 Other Bank Balances		
15.2.1 Unpaid dividend	2.31	-
15.2.2 Fixed deposit with banks held as margin money (None of the above fixed deposit has maturity of more than twelve months)	332.48	183.78
Total	<u>344.59</u>	<u>202.83</u>
<b>NOTE-16 SHORT-TERM LOANS AND ADVANCES</b>		
16.1 Unsecured, Considered goods	360.63	277.15
Advances recoverable in cash or kind or for value to be received		
Total	<u>360.63</u>	<u>277.15</u>
<b>NOTE-17 OTHER CURRENT ASSETS</b>		
17.1 Sundry Deposits	11.64	13.44
17.2 Advance Tax/ Tax Deducted at source	82.06	347.98
17.3 CENVAT	9.17	3.19
17.4 Accrued Interest/ Income	332.49	610.72
Total	<u>435.36</u>	<u>975.33</u>
NOTE	2011-12	2010-11 (15 months)
<b>NOTE-18 REVENUE FROM OPERATIONS</b>		
18.1 Sale of Products	45204.10	44482.31
18.2 Other operating revenues	524.18	574.16
	45728.28	45056.47
18.3 Less: Excise Duty	37.03	8.59
Total	<u>45691.25</u>	<u>45047.88</u>
<b>NOTE-19 OTHER INCOME</b>		
19.1 Interest Income	22.45	29.45
19.2 Dividend Income	0.05	0.00
19.3 Net gain/ loss on sale of Investment (Asset)	0.00	0.37
19.4 Other Non-operating Income	18.00	0.40
19.5 Net Gain on foreign currency transactions	15.87	35.97
Total	<u>56.37</u>	<u>66.19</u>
<b>NOTE-20 EMPLOYEE BENEFITS EXPENSES</b>		
20.1 Salaries & Wages	336.46	362.20
20.2 Contribution to provident and other fund	27.49	31.22
20.3 Staff Welfare Expenses	27.49	28.99
20.4 Director Remuneration	22.00	17.96
20.5 P.F on Director Remuneration	1.44	0.96
Total	<u>414.88</u>	<u>441.33</u>



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

	(Rs. in Lacs)	
NOTE	2011-12	2010-11 (15 months)
<b>NOTE-21 FINANCIAL COST</b>		
21.1 Interest Expenses	764.98	873.13
21.2 Other Borrowing Cost	187.06	180.24
<b>Total</b>	<u>952.04</u>	<u>1053.37</u>
<b>NOTE-22 OTHER EXPENSES</b>		
<b>(I) Manufacturing Expenses</b>		
22.1 Stores and Spares Consumed	165.37	162.96
22.2 Hexane Consumed	228.33	195.42
22.3 Chemicals Consumed	153.09	166.17
22.4 Coal Consumed	781.25	632.25
22.5 Power Charges	507.82	502.41
22.6 Freight & Cartage	246.45	228.86
22.7 Repairs & Maintenance	19.85	15.43
22.8 Insurance Charges	31.21	21.89
22.9 Water Charges	29.71	34.37
22.10 Miscellaneous Manufacturing Expenses	20.69	25.89
<b>Sub Total (I)</b>	<u>2183.77</u>	<u>1985.65</u>
<b>(II) Administrative Expenses</b>		
22.11 Stationery & Printing	2.56	3.08
22.12 Rent, Rates and Taxes	22.99	17.10
22.13 Postage, Telegram and Telephones	4.91	8.79
22.14 Auditor's Remuneration		
22.14.1 Audit Fees	1.12	1.10
22.14.2 Travelling	0.02	0.00
22.15 Conveyance Expenses	5.33	5.62
22.16 Legal & Professional Charges	27.05	26.09
22.17 Miscellaneous Expenses	10.03	10.61
22.18 Director's Meeting Fee	0.25	0.28
<b>Sub Total (II)</b>	<u>74.26</u>	<u>72.67</u>
<b>(III) Selling &amp; Distribution Expenses</b>		
22.19 Advertisement & Publicity	2.63	9.50
22.20 Sales Promotion Expenses	21.50	31.54
22.21 Brokerage & Commission	2.90	3.04
22.22 Freight Outward	1121.47	1246.85
22.23 Sales Tax & Octroi	1.75	12.40
22.24 Export Expenses	1183.59	1290.16
22.25 Sundry Balances Written off	2.12	5.83
22.26 Traveling Expenses	58.81	52.55
22.27 Bad debts	0.98	3.25
<b>Sub Total (III)</b>	<u>2395.75</u>	<u>2655.12</u>
<b>TOTAL (I+II+III)</b>	<u>4653.78</u>	<u>4713.44</u>



NOTENO. 23

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (31.03.2012)

## 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.

## Intangible assets

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

## 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, shall be 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.
- (c) Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

## 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: 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
- (a) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.
  - (b) Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account.
  - (c) Realized gain or loss on cancellation of forward exchange contract is recognized in the Profit and Loss Account for the year.
  - (d) Loss on exchange difference on pending forward exchange contract which are yet to be executed are measured on the basis of difference between spot rate at year end and with forward contract exchange rate (premium adjusted) of respective date through "Exchange Fluctuation Hedge Reserve" carved out of free reserve in Balance Sheet
- 1.10 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
- (a) Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
  - (b) Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
  - (c) Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.
2. Other Notes to Accounts
- 2.1 Previous figures have been reclassified /regrouped wherever necessary however same are not comparable being previous year figure are for period of 15 Months.
  - 2.2 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.
- 2.3 Contingent liabilities
- 2.3.1 Estimated amount of contracts remaining to be executed on Capital Account Rs. 157.63 Lacs net of advance given (Previous Year Rs. 41.62 Lacs).
  - 2.3.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs. 25.79 Lacs (Previous Year Rs. 7.53 Lacs.)
  - 2.3.3 Claims not acknowledge by the company on sale tax matters Rs. 248.39 Lacs



2.4 Installments of term loans from financial institutions falling due within one year are Rs 352.03 lacs (Previous year Rs. 347.00 Lacs).

2.5 Company's Income tax assessments have been completed up to Assessment year 2009-2010. In the opinion of Board of Director's provision for income tax made is adequate.

2.6 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.

2.7 The amount of Foreign Exchange Gain included in the profit & loss account is Rs 15.87 lacs (Previous Year Rs. 35.97 Lacs). Above amount is included in Other Income.

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

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

2.10 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	31/03/2012	31/03/2011
Present value of obligations as at beginning of the year	46.83	32.49
Interest Cost	3.75	2.6
Current Service Cost	5.52	4.31
Benefit Paid	(2.11)	(8.35)
Actuarial (gain)/loss on obligations	(11.66)	15.79
Present value of obligations as at end of the year	42.33	46.83
(c) Table showing changes in the fair value of plan assets as on	31/03/2012	31/03/2011
Fair value of plan assets at beginning of the year	55.42	37.43
Expected return on plan assets	4.94	3.07
Contribution	0	23.27
Benefit Paid	(2.11)	(8.35)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	58.25	55.42
(d) Table showing fair value of plan assets as on	31/03/2012	31/03/2011
Fair value of plan assets at beginning of the year	55.42	37.43
Actual return on plan assets	4.94	3.07
Contribution	0.00	23.27
Benefit Paid	(2.11)	(8.35)
Fair value of the plan assets at the end of the year	58.25	55.42
Funded status	15.92	8.59
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)		
(e) Actuarial Gain/Loss recognized as on	31/03/2012	31/03/2011
Actuarial (Gain)/Loss for the year-obligation	11.66	(15.79)
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Total (Gain)/Loss for the year	(11.66)	15.79
Actuarial (Gain)/Loss recognized for the year	(11.66)	15.79
(f) Expenses recognized in statement of profit and loss	31/03/2012	31/03/2011
Current Service Cost	5.52	4.31
Interest cost	3.74	2.60
Expected return on Plan Asset	(4.94)	(3.07)
Net Actuarial (Gain)/Loss recognized in the year	(11.66)	15.79
Expenses recognized in the statement of Profit & Loss	(7.33)	21.91
(g) Assumption		
Discount rate	8%	8%
Salary Escalation	7%	7%



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

2.12 EARNING PER SHARE

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

Sr. No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	50103520	50103520
2.	Profit contribution for Basic EPS (Rs. in lacs)	396.58	749.42
3.	Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies)	-	-
4.	Basic Earning Per Share	0.79	1.50
5.	Nominal Value Per Share	1	1

2.13 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, Director
  - Shri. Saurabh Singh Mehta, Executive Director
- ii. Relatives of Key Management Personnel
  - Miss Devki Mehta (Daughter of Managing Director)
  - Smt. Nidhi Mehta (Wife of Executive Director)
- iii. Companies/Entities under the control of Key Management Personnel
  - 1) Sakam Trading Pvt. Ltd. (Holding Company)
  - 2) Kriti Industries (I) Ltd. (Subsidiary of Sakam Trading Pvt. Ltd.)
  - 3) Kriti Auto & Engg. Plastics Pvt. Ltd. (Wholly owned subsidiary of Kriti Industries (I) ltd)
  - 4) Chetak Builders Pvt. Ltd. (Subsidiary of Sakam Trading Pvt. Ltd.)

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

(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.	Remuneration	NIL (NIL)	23.44. (17.96)	NIL (NIL)	NIL (NIL)
2.	Sales of export scheme incentive License	NIL (NIL)	NIL (NIL)	NIL (NIL)	567.41 (369.17)
3.	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	1911.84 (1031.34)
	Taken	(NIL) (NIL)	NIL (NIL)	NIL (NIL)	4033.95 (1729.4)
4.	Interest	NIL (NIL)	NIL (NIL)	NIL (NIL)	30.16 (55.00)
5.	Rent	NIL (NIL)	NIL (NIL)	NIL (NIL)	8.57 (5.22)

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



## 2.14. Additional information as required under Part II of Schedule VI to the Companies Act, 1956 is as under

(Rs. in Lacs)

PARTICULAR	31/03/2012	31/03/2011
a. Value of Import on C.I.F. basis		
i. Raw Material	Nil	108.64
ii. Capital Goods	89.25	Nil
b. Earning in Foreign Currency		
i. Export of goods on F.O.B. basis	15934.21	20133.10
c. Expenditure in foreign currency		
i. Interest	Nil	9.58
ii. Commission	4.45	30.16
iii. Others	25.62	21.76

## 2.15 Auditor's Remuneration

(Rs. in Lacs)

Auditor's Remuneration:	31.03.2012	31.03.2011
a. Statutory Audit Fees (INCLUDING SERVICE TAX)	0.84	1.10
b. Tax Audit Fees <sup>1</sup> (INCLUDING SERVICE TAX)	0.28	-
c. Taxation & Other matters including Legal & Professional Expenses.	-	-

## 2.16 Information related Raw Material and Finished Goods

(Rs. in Lacs)

PARTICULARS	CONSUMPTION
RAW MATERIAL	
SOYABEAN SEED	31750.02 (30934.20)
SOYA CRUDE OIL	4830.39 (4920.19)
OTHERS	1633.06 (2062.70)
TOTAL	38213.47 (37917.09)

(Rs. in Lacs)

PARTICULARS	SALES
MANUFACTURED PRODUCT	
SOYA MEAL	22123.56 (22290.54)
SOYA CRUDE OIL	1702.07 (876.63)
REFINED OIL	18448.28 (19095.80)
OTHERS	3417.34 (2784.91)
TOTAL	45691.25 (45047.88)

As per our Report of even dated attached.

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

For and on behalf of the Board of Directors

Vijay Bansal  
(Partner)  
M.No. 075344

Shiv Singh Mehta  
(Managing Director)

Purnima Mehta  
(Director)

Sumit Jaitely  
(Company Secretary)

Place: Indore

Date:- 26.05.2012





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

Particular	Rs.in Lacs	
	31.03.2012	31.03.2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	578.26	1155.26
ADJUSTMENT FOR		
DEPRICIATION	230.32	270.65
MISCELLANEOUS INCOME	(56.37)	(66.19)
INTEREST PAID	952.04	1053.37
OPERATING PROFIT BEFORE CHANGE OF WORKING CAPITAL	1704.25	2413.09
INCREASE/(DECREASE) IN TRADE PAYABLES	(488.08)	2136.99
INCREASE/(DECREASE) IN SHOT TERM PROVISIONS	(387.65)	(6.39)
INCREASE/(DECREASE) IN OTHER CURRENT LIABILITIES	(90.35)	531.72
(INCREASE)/DECREASE IN INVENTORIES	3381.14	(4355.78)
(INCREASE)/DECREASE IN TRADE RECIEVABLES	1167.60	(1495.96)
(INCREASE)/DECREASE IN LONG TERM LOANS AND ADVANCES	(17.29)	0.00
(INCREASE)/DECREASE IN SHORT TERM LOANS AND ADVANCES	(83.49)	(277.15)
(INCREASE)/DECREASE IN OTHER CURRENT ASSETS	581.09	(281.44)
CASH GENERATED FROM OPERATION	4062.96	(3738.33)
TAXES PAID	(82.06)	345.75
NET CASH FLOW FROM OPERATIONS (A)	5685.15	(1670.99)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
MISCELLANEOUS INCOME	56.37	66.19
SALE PROCEEDS OF FIXED ASSETS (NET)	0.00	0.37
PURCHASE OF FIXED ASSETS	(645.62)	(2821.10)
(INCREASE)/DECREASE IN INVESTMENTS	(1.00)	(7.34)
NET CASH FLOW FROM INVESTING ACTIVITIES(B)	(590.25)	(2761.87)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
INCREASE/ (DECREASE) IN SHARE CAPITAL	0.00	496.04
INCREASE/(DECREASE) IN OTHER LONG TERM LIABILITIES	345.35	9.68
INCREASE/ (DECREASE) IN LONG TERM BORROWINGS	(59.52)	798.24
INCREASE/ (DECREASE) IN SHORT TERM BORROWINGS	(4199.59)	4390.79
INTEREST EXPENSES	(952.04)	(1053.37)
DIVIDEND & CORPORATE DIVIDEND TAX	(87.35)	
NET CASH FLOW FROM FINANCIAL ACTIVITIES (C)	(4953.15)	4631.69
	141.76	198.83
ADD : OPENING CASH & CASH EQUIVALENTS	202.83	4.00
CASH & CASH EQUIVALENT AT THE END OF THE PERIOD	344.59	202.83

Last year figures has been regrouped and reclassified wherever applicable

As per our Report of even dated attached.

For R.S.Bansal & Company  
Chartered Accountants

FRN:000939C

Vijay Bansal  
(Partner)

M.No. 075344

Place: Indore

Date:- 26.05.2012

For and on behalf of the Board of Directors

Shiv Singh Mehta  
(Managing Director)

Purnima Mehta  
(Director)

Sumit Jaitely  
(Company Secretary)



# Notes

A large rectangular area with rounded corners, enclosed by a thick grey border. The interior of this area is filled with horizontal dotted lines, providing a space for handwritten notes.



KRITI NUTRIENTS 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 : SBA/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 NUTRIENTS LIMITED  
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 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 4.00 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 NUTRIENTS LIMITED  
Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANI, INDORE - 452 007

PROXY - FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of KRITI NUTRIENTS 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 Annual General Meeting of the Company to be held on Saturday the 24th September, 2011 at 4.00 P.M. and at any adjournment thereof.

Signed this ..... day of .....2012

Affix One  
Rupee  
Revenue  
Stamp

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

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