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#### Board of Directors

Shri Shiv Singh Mehta, Managing Director

Shri Saurabh Singh Mehta, Executive Director

Smt. Purnima Mehta, Director

Shri Rakesh Kalra, Independent Director

CA Manoj Fadnis, Independent Director

Shri Bhuwadesh Shastri, Independent Director

#### Auditors

R. S. Bansal & Co.

Chartered Accountants

Urvashi, 1st Floor, 3 Jaora Compound,

Indore – 452 001 (M.P.)

#### Bankers

State Bank of India

HDFC Bank Ltd.

#### Company Secretary

Shri Vijay Khandelwal

#### Registered Office

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

#### Corporate Support Center

Chetak Chambers, 4th Floor, 14 RNT Marg,

Indore – 452 001 (M.P.)

#### Share Transfer Agent

M/s Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura,

Indore – 452 010 (M.P.)



## NOTICE

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the Members of KRITI NUTRIENTS LIMITED will be held on Tuesday, 31st July, 2018 at 4.00 P.M at Corporate Support Center of the Company Situated at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore (M.P.) - 452001 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements together with Directors Report and Auditors Report thereon for the year ended 31st March, 2018.
2. To declare dividend on the equity shares for the Financial Year ended on 31st March, 2018.
3. To appoint a Director in place of Mr. Saurabh Singh Mehta, Director (DIN 00023591) of the Company, who is liable to retire by rotation, and being eligible offers himself for re-appointment

### SPECIAL BUSINESS

4. Ratification of Remuneration to Cost Auditor

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

"RESOLVED THAT pursuant to sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) Shri S.P.S Dangi, Cost Accountant (FRN 100004), appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31st March, 2019 be paid the remuneration as set out in the statement annexed to the notice."

Place: Indore  
Date: 16th May, 2018  
Kriti Nutrients Ltd  
CIN L24132MP1996PLC011245  
Regd. Office: Mehta Chamber, 34 Siyaganj,  
Indore-452007(M.P)

By order of the Board,

Vijay Khandelwal  
Company Secretary



## Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.  
A person can act as a proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 08
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.  
The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, 25th July, 2018 to Tuesday, 31st July, 2018 (both days inclusive) for the Annual General Meeting.
4. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
5. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
6. Electronic copy of the Annual Report 2018 is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same.
7. In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.
8. The remote e-voting period commences on Saturday, 28th July, 2018 (9:00 A.M. IST) and ends on Monday, 30th July, 2018 (5:00 P.M. IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 24th July 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Company/Depositories):
  - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial Password
  - (ii) Launch internet browser and type the following URL: <https://www.evoting.nsdl.com/> in the address bar
  - (iii) Click on Shareholder –Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "REVEN" of "Kriti Nutrients Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Corporate / Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [kriti.scrutinizer@gmail.com](mailto:kriti.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

(I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

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

(II) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

9. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No + Folio No)
10. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
11. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date Tuesday, 24th July, 2018.
12. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Tuesday, 24th July, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA .
13. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
14. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
15. CS Ishan Jain, Practicing Company Secretary (M. No. ACS 29444 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
16. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
17. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
18. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [kn1.kritiindia.com](http://kn1.kritiindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
19. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agent at the following address:  
M/s. Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex,  
Pardeshipura, Indore (M.P.) 452010  
Tel: 0731-4281333, 4065797/99  
E-mail: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com), [info@ankitonline.com](mailto:info@ankitonline.com), [support@ankitonline.com](mailto:support@ankitonline.com)
20. Members may also note that the Notice of the 22nd AGM and the Kriti Nutrients Ltd. Annual Report 2017-18 will be available on the Company's website [kn1.kritiindia.com](http://kn1.kritiindia.com). Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [info@kritiindia.com](mailto:info@kritiindia.com).
21. Additional information, pursuant to Regulation 36 the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent / declaration for their appointment / re appointment as required under the Companies Act, 2013 and the Rules thereunder.



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

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

### Item No. 4

On the recommendations of the Audit Committee, the Board has appointed Shri S.P.S. Dangi, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2019 on a remuneration of Rs. 25000/- (Rupees Twenty Five Thousand Only).

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

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

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

Details of the directors seeking reappointment at the Annual General Meeting

Name of the Director	Mr. Saurabh Singh Mehta (DIN:00023591)
Date of Birth	29.07.1981
Date of Appointment	26.12.2009
Expertise in specific area	Administration, Marketing and IT
Qualification	B.E., M.B.A.
List of Outside Directorship held	Kriti Industries (India) Limited Kriti Auto and Engineering Plastics Private Limited Sakam Trading Private Limited Chetak Builders Private Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Member: CSR Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director (a) Audit Committee (b) Stakeholders' Relationship Committee (c) CSR Committee	None
No. & Percentage of Shares held	No. of Shares: 30423 Percentage of Eq. Shares held: 0.06%

Place: Indore

Date: 16th May, 2018

Kriti Nutrients Ltd

CIN L24132MP1996PLC011245

Regd. Office: Mehta Chamber, 34 Siyaganj,

Indore-452007(M.P)

By order of the Board,

Vijay Khandelwal

Company Secretary



## DIRECTORS' REPORT

Your Your Directors have pleasure in presenting the 22nd Annual Report together with Audited Financial Statements of the Company for the period ended on 31st March, 2018.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2018 is summarized below:

PARTICULARS	(Rs. in Lakhs)	
	2017-18	2016-17
Total Turnover	46103.60	45755.04
Profit before Interest, Depreciation & Taxes	3295.00	1676.41
Less: Interest	517.44	472.84
Profit before depreciation	2777.56	1203.57
Less: Depreciation	260.54	244.60
Profit/ (Loss) Before Tax	2517.02	958.97
Provision for Taxation	938.41	330.42
Net Profit/(loss)	1578.61	628.55

### YEAR IN RETROSPECT

The Company has achieved a total turnover of Rs. 46103.60 Lakhs (Previous year Rs. 45755.04 Lakhs) including exports of Rs. 13355.55 Lakhs (Previous year Rs. 13559.57 Lakhs) and Profit before Tax of Rs. 2517.02 Lakhs (Previous year Rs. 958.97 Lakhs) and Profit after Tax of Rs. 1578.61 Lakhs (Previous year Rs. 628.55 Lakhs)

The Company has adopted Ind AS w.e.f. 1st April, 2017 with a transition date of 1st April, 2016. Accordingly, results for the year ended 31st March, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous Periods figures have been restated as per Ind AS to make them comparable.

### DIVIDEND

Your directors are pleased to recommend a dividend @ 18% (Rs. 0.18/- per equity shares of Rs. 1/- each on 50103520 Equity Shares) for the Financial Year 2017-18 aggregating to Rs. 90.19.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2018 and of the statement of profit and loss of the Company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### CORPORATE GOVERNANCE

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

### RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary



course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

Separate disclosure as per regulation 34 (3) and 53 (f) of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015 is made in the report. AOC-2 is annexed hereto as Annexure A and forms a part of this Report.

#### CORPORATE SOCIAL RESPONSIBILITY

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

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

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives.

Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations.

The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

#### DIRECTORS

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Mr. Saurabh Singh Mehta, Director (DIN 00023591) of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

#### DECLARATION BY INDEPENDENT DIRECTORS

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

#### KEY MANAGERIAL PERSONNEL

During the year under review there was no change.

#### MEETINGS

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

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

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

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

#### AUDITORS AND AUDITOR REPORT

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, M/s R. S. Bansal and Company, Chartered Accountants (FRN: 000939C) appointed as auditors of the company up to Annual General Meeting of the Company to be held in the year 2021 on such remuneration as may be fixed by the Board from time to time. As per amended Companies Act, 2013 notified w.e.f. 7th May, 2018 no ratification of appointment of Auditors is required in every Annual General Meeting.

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

#### COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 your Directors had, on the recommendation of the Audit Committee, appointed Mr. S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) to audit the cost accounts of the Company for the financial year ending 31.03.2019. Resolution seeking Member's ratification for the remuneration payable to Mr. S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) is included at Item No.5 of the Notice convening the Annual General Meeting.

The company is in process to file the Cost Audit Report to the Central Government within the stipulated time.





#### SECRETARIAL AUDITOR

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

#### STATUTORY INFORMATION

##### PUBLIC DEPOSIT

The company has not received/accepted any deposits from public during the year under review within the meaning of section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014 and there is no overdue unpaid/unclaimed deposit as at 31st March, 2018.

##### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

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

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

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

##### EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form No. MGT-9 as required under Section 92 of the Companies Act, 2013 for the financial year ending 31st March, 2018 is annexed hereto as Annexure E and forms a part of this Report.

##### VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

##### SECRETARIAL STANDARD COMPLIANCE

Company is in compliances with applicable Secretarial Standards.

##### GENERAL

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

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

##### ACKNOWLEDGEMENT

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

Place: Indore

Date: 16th May, 2018

Kriti Nutrients Limited

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyaganj,

Indore

By order of the Board,

Shiv Singh Mehta

Managing Director

DIN 00023523



**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Kriti Industries (India) Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during Financial Year 2017-18.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship:	Nature of contracts / arrangements	Duration of the contracts / arrangements	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board
Kriti Industries (India) Ltd.	Purchase of Export incentive License	Ongoing	Transactions were entered into, in the ordinary course of business and on arm's length basis	Transactions were approved by the Board in their meetings held on: 13.09.2017 14.12.2017 07.02.2018 16.05.2018
Kriti Industries (India) Ltd.	Sale of HDPE	Ongoing		
Kriti Industries (India) Ltd.	Purchase of Cap, Wooden Pallets etc.	Ongoing		
Chetak Builders Pvt. Ltd.	Rent Paid	Ongoing		

Note:

1. Appropriate approvals have been taken for related party transactions.
2. Advance paid - NIL

By order of the Board,

Place: Indore  
Date: 16th May, 2018

Shiv Singh Mehta  
Managing Director  
DIN 00023523



## ANNEXURE B

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

Sl No.	Particulars	Details
1.	Average net profit of the company for last three financial years	Rs. 915.45 Lakhs
2.	Prescribed CSR expenditure (Two percent of the amount in Sl. No. 1 above)	Rs. 18.31 Lakhs
3.	The Composition of the CSR Committee.	Mrs. Purnima Mehta Mr. Saurabh Singh Mehta Mr. Rakesh Kalra
4.	a. Total amount spent during the financial year. b. amount unspent if any c. manner in which the amount spent during the financial year	Rs. 0.18 Lakhs Rs. 18.13 Lakhs details given below
5.	Reason for not spending the amount in its Board's Report	The company has been working on identifying the projects for carrying out CSR activities. The company is now working on projects and the expenditure on these projects shall be accounted for as and when incurred.
6.	A responsibility of the CSR committee	The implementation and monitoring of Corporate Social Responsibility policy, is in compliance with CSR objectives and policy of the company.

## 2. Manner in which the amount spent during the financial year

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs subheads:	Cumulative Expenditure	Amount Spent direct or through implementing agency
1.	HEALTH CARE	Clause (i) of Schedule VII of the Companies Act, 2013:- HEALTH CARE	Free Ayurvedic camps to the public and other expenses	Rs. 10.00 Lakhs	Rs. 0.18 Lakhs	Rs. 0.18 Lakhs	Direct

Purnima Mehta  
Chairman (CSR Committee)  
DIN 00023632

Saurabh Singh Mehta  
Member (CSR Committee)  
DIN 00023591



ANNEXURE C

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(Rs. In Lakhs)

S. No.	Name of Director/KMP & Designation	Remuneration for the FY 2017-18 (Rs. in Lakhs)	% increase (Decrease) in Remuneration in the FY 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Shiv Singh Mehta Managing Director	NIL	NIL	Not Applicable	Profit after tax increased by 151.15% in F.Y. 2017-18
2	Mr. Saurabh Singh Mehta Executive Director	78.28	152.35%	41.42	
3	Mr. S.C. Jajoo Chief Financial Officer	25.79	7.59%	Not Applicable	
4	Mr. Vijay Khandelwal Company Secretary	3.59	22.38%	Not Applicable	

- ii) The median remuneration of employees of the Company during the financial year was Rs. 1.89 Lakhs
- iii) In the financial year, there was an increase of 0.35 Lakhs in the median remuneration of employees;
- iv) There were 224 permanent employees on the rolls of Company as on March 31, 2018;
- v) The Profit before Tax for the financial year ended March 31, 2018 increased by 162.47%.
- vi) The company has not come out with public issue : The market capitalization as on March 31, 2018 was Rs. 234.23 crore (Rs. 101.21 crore as on March 31, 2017)
- vii) The variable remuneration of the Managing Director / Whole Time Director as a commission base on profit of the company
- viii) The remuneration based on annual appraisals is paid as per the remuneration policy of the company.



## ANNEXURE D

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

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2018.

## A. CONSERVATION OF ENERGY

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

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

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

## B. TECHNOLOGY ABSORPTION

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

## C. FOREIGN EXCHANGE EARNING &amp; OUTGO

(Rs. In Lakhs)

	2017-18	2016-17
1. Earning		
FOB rate of Export	13321.06	13535.66
2. Outgoing		
a) CIF Value of Imports	NIL	NIL
b) Expenditure in Foreign Currency	43.86	33.62



Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

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

## I. REGISTRATION AND OTHER DETAILS:

CIN	L24132MP1996PLC011245
Registration Date	24th September, 1996
Name of the Company	Kriti Nutrients Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Mehta Chambers, 34-Siyaganj, Indore-452007, Tel. No. 0731-2719126
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent if any	Ankit Consultancy Pvt. Ltd , Plot No. 60, Electronic Complex, Pardeshipura, Indore-452010 Tel. No. 0731-4281333, 4065797/99 E mail id: ankit4321@yahoo.com, info@ankitonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Soya Lecithin Flakes and Flour	10407	36.65%
2	Soya Crude Oil/ Refined Oil	10402	63.35%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.N.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares	Applicable heldSection
1	Sakam Trading Pvt. Ltd.	U65993MP1986PTC003517	Holding	52.09%	2(46)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2300047	-	2300047	4.59	2300047	-	2300047	4.59	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	30797631	-	30797631	61.47	30797631	-	30797631	61.47	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	33097678	-	33097678	66.06	33097678	-	33097678	66.06	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	33097678	-	33097678	66.06	33097678	-	33097678	66.06	-
B. Public Shareholding									
1 Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1600	-	1600	-	2481	-	2481	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	112447	-	112447	0.22	0.22
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1600	-	1600	-	114928	-	114928	-	0.23
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	3127073	17600	3144673	6.28	2898968	17600	2916568	5.82	(0.46)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5892598	3005480	8898078	17.76	6528187	2859880	9388067	18.74	0.98
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4816920	-	4816920	9.61	4374281	-	4374281	8.73	(0.88)
c) Others (NRI & OCB)	123452	-	123452	0.25	175792	-	175792	0.35	0.10
d) Other (Clearing Member)	21119	-	21119	0.04	36206	-	36206	0.07	0.03
Sub-total (B)(2):-	13981162	3023080	17004242	33.94	14013434	2877480	16890914	33.71	(0.23)
Total Public Shareholding (B)= (B)(1)+ (B)(2)	13982762	3023080	17005842	33.94	14128362	2877480	17005842	33.94	-
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	47080440	3023080	50103520	100	47226040	2877480	50103520	100	-



## (ii) Shareholding of Promoters

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1 Sakam Trading Pvt. Ltd.	26099473	52.09	-	26099473	52.09	-	-
2 Chetak Builders Pvt. Ltd.	4608158	9.20	-	4608158	9.20	-	-
3 Mr. Shiv Singh Mehta	2028899	4.05	-	2028899	4.05	-	-
4 Mrs. Purnima Mehta	120692	0.24	-	120692	0.24	-	-
5 Kriti Specialities Pvt. Ltd.	90000	0.18	-	90000	0.18	-	-
6 Mrs. Raj Kumari Kothari	83280	0.17	-	83280	0.17	-	-
7 Mrs. Devki Mehta Hirawat	36736	0.07	-	36736	0.07	-	-
8 Mr. Saurabh Singh Mehta	30440	0.06	-	30440	0.06	-	-
Total	33097678	66.06	-	33097678	66.06	-	-

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

Sl. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	33097678	66.06	33097678	66.06
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
2.	At the End of the year	33097678	66.06	33097678	66.06

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

Sl. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	Chartered Finance And Leasing Limited	2210200	4.41	2210200	4.41
2.	Praveen Kumar Kasliwal	1027445	2.05	1401368	2.80
3.	Jyoti Kasliwal	673725	1.34	673335	1.34
4.	Rahul Chandrasingh Mehta	500000	1.00	500000	1.00
5.	Sanjay Kothari	440000	0.88	440000	0.88
6.	Sheetal Rahul Mehta	416000	0.83	416000	0.83
7.	Nidhi Jawahar	378304	0.76	0	0.00
8.	Juhi Singhvi	375585	0.75	375335	0.75
9.	Nandita Kasliwal	374423	0.75	0	0.00
10.	Anantroop Financial Advisory Services Private Limited	300000	0.60	300000	0.60





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

Sl. No.	Particular	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1	Mr. Shiv Singh Mehta, Managing Director	2028899	4.05	2028899	4.05
2	Mr. Saurabh Singh Mehta, Whole-time Director	30440	0.06	30440	0.06
3	Mrs. Purnima Mehta, Director	120692	0.24	120692	0.24
4	Mr. Rakesh Kalra, Independent Director	-	-	-	-
5	CA Manoj Fadnis, Independent Director	-	-	-	-
7	Mr. Bhuwanesh Shastri, Independent Director	-	-	-	-
8	Mr. S.C. Jajoo, Chief Financial Officer	100	0.00	100	0.00
9	Mr. Vijay Khandelwal Company Secretary & Compliance Officer	0	0.00	1	0.00

\* Dr. S.S. Kothari retired on 12.09.2017. \*\* Mr. Saurabh Sing Mehta appointed on 07.02.2018 as an Additional Director of the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3466.07	159.56	0.08	3625.63
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.08	0.00	0.00	0.08
Total (i+ii+iii)	3466.15	159.56	0.00	3625.71
Change in Indebtedness during the financial year				
• Addition	0.00	1031.00	0.00	1031.00
• Reduction	1507.52	147.00	0.00	1654.52
Net Change	1507.52	884.00	0.00	623.52
Indebtedness at the end of the financial year				
i) Principal Amount	1958.63	1043.56	0.00	3002.19
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1958.63	1043.56	0.00	3002.19

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount Rs. in Lakhs
		Mr. Shiv Singh Mehta -MD	Mr. Saurabh Singh Mehta -WTD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00.00	24.00	24.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	00.00	6.00	6.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	45.40	45.40
	- others, specify...	-	-	-
5.	Employers Provident fund	-	2.88	2.88
	Total (A)	-	78.28	78.28



## B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount Rs. in Lakhs
		Mr. Rakesh Kalra	CA Manoj Fadnis	Mr. Bhuwanesh Shastri	
1.	Independent Directors				
a)	Fee for attending board committee meetings	0.85	0.85	0.80	2.50
b)	Commission	-	-	-	-
c)	Others, please specify	-	-	-	-
	Total (1)	0.85	0.80	0.80	2.50
2.	Other Non-Executive Directors	Mrs. Purnima Mehta			
a)	Fee for attending board committee meetings	0.85			0.85
b)	Commission	-			-
c)	Others, please specify	-			-
	Total (2)	0.85			0.85
	Total (B)=(1+2)				3.35
	Total Managerial Remuneration(A+B)				81.63

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount Rs. in Lakhs
		Mr. S.C. Jajoo, CFO	Mr. Vijay Khandelwal	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.79	3.59	29.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Employers Provident fund	-	-	-
	Total (C)	25.79	3.59	29.38

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

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

Place: Indore  
Date: 16th May, 2018  
Kriti Nutrients Limited  
CIN L24132MP1996PLC011245  
Regd. Office: Mehta Chamber, 34 Siyaganj,  
Indore

By order of the Board,

Shiv Singh Mehta  
Managing Director  
DIN 00023523



FORM NO. MR-3  
SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
KRITI NUTRIENTS LIMITED  
CIN: L24132MP1996PLC011245  
Mehta Chambers, 34-Siyaganj  
Indore (M.P.) - 452007

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by KRITI NUTRIENTS LIMITED (hereinafter called the Company) having CIN- L24132MP1996PLC011245. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents, KMP and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KRITI NUTRIENTS LIMITED for the financial year ended on March 31, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) other laws are applicable specifically to the Company are as under:
  - (a) The Environment (Protection) Act, 1986;
  - (b) The water (Prevention and Control of Pollution) Act, 1974;
  - (c) The Air (Prevention and Control of Pollution) Act, 1981;
  - (d) The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
  - (e) Factories Act, 1948;
  - (f) Industrial Dispute Act, 1947;
  - (g) The Payment of Wages Act, 1936;



- (h) The Minimum Wages Act, 1948;
- (i) The Employee State Insurance Act, 1948;
- (j) The Employee Provident Fund and Miscellaneous Provision Act, 1952;
- (k) The Payment of Bonus Act, 1965;
- (l) The Payment of Gratuity Act, 1972;
- (m) The Income Tax Act, 1961;
- (n) Contract Labour (Regulation and Abolition) Act, 1970;
- (o) The Industrial Employment (Standing Orders) Act, 1946;
- (p) The Goods and Service Tax;
- (q) The Apprentices Act, 1961;
- (r) Food Safety and Standards Act, 2006

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

1. Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI).
2. The Listing Agreement entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

During the year under review, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, standard etc. mentioned above.

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

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

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

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

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

For Kaushal Agrawal & Co.,  
Practising Company Secretaries

CS Kaushal Kumar Agrawal  
M. No. F4985; C.P. No. 3457

Place: Indore  
Dated: 16.05.2018

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



## GUIDANCE NOTE ON SECRETARIAL AUDIT

'Annexure -1'

To,  
The Members  
Kriti Nutrients Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Kaushal Agrawal & Co.,  
Practising Company Secretaries

CSKaushal Kumar Agrawal  
M. No. F4985; C.P. No. 3457

Place: Indore  
Dated: 16.05.2018



## Corporate Governance Report

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Kriti Nutrients Limited places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all. These practices being followed since the inception have contributed to the Company's sustained growth.

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

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

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

The details of compliance are as follows:

#### 1. The Governance Structure:

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

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

(ii) Committees of Directors - such as Audit Committee, Nomination & Remuneration Committee, CSR Committee and Risk Management Committee etc. are focused on Financial Reporting, Audit & Internal Controls, Compliance Issues, Appointment and Remuneration of Directors and Senior Management Employees, Implementation and Monitoring of CSR activities and the risk management framework.

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

#### 2. BOARD OF DIRECTORS

##### A. Composition of Board

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. As at the end of corporate financial year 2017-18, the total Board consists of Six (6) directors, out of which four (4) are non-executive directors and out of the Four(4) non-executive directors Three (3) are independent Director.

The composition of the Board of directors and the number of Board Committee in which they are chairman/ member as on 31st March, 2018 are as under:

Name	Category	No. of Directorship in other public Companies	No. of Committee position held in other public Companies	
			Chairman	Member
Mr. Shiv Singh Mehta	Promoter & Managing Director	Two	Two	Three
Mr. Saurabh Singh Mehta	Executive Director	One	NIL	NIL
Mrs. Purnima Mehta	Promoter & Non-Executive Director	One	Nil	Four
CA Manoj Fadnis	Independent & Non-Executive Director	Two	Two	Two
Mr. Rakesh Kalra	Independent & Non-Executive Director	Six	Two	Nine
Mr. Bhuwadesh Shastri	Independent & Non-Executive Director	NIL	NIL	NIL

During the year under review, Five (4) meetings of the Board of directors were held. The dates of the meetings were decided in advance and key information was placed before the Board. The Board of Directors meetings were held on 11th May, 2017, 13th September, 2017\*, 14th December, 2017\*, 7th February, 2018.

\*As per BSE circular CIR/CFD/FAC/62/2016 dated July 05, 2016 for Implementation of Ind-AS for the first year, Board Meeting for the Second Quarter and Third Quarter Results extended by one month from due date.



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

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

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

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

	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 12th September, 2017
Mr. Shiv Singh Mehta	4	4	Yes
Mr. Saurabh Singh Mehta	4	4	Yes
Mrs. Purnima Mehta	4	4	Yes
CA Manoj Fadnis	4	4	Yes
Mr. Rakesh Kalra	4	4	Yes
Mr. Bhuvnesh Shastri	4	4	Yes

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

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 13th September, 2017 to review the performance of Non-independent Directors (including the Chairman) and the entire Board.

#### E. Agenda:

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

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

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

#### G. Board Evaluation:

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

#### H. Code of Conduct:

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

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

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

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

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Shiv Singh Mehta	Spouse	Mrs. Purnima Mehta
Mr. Shiv Singh Mehta	Father	Mr. Saurabh Singh Mehta
Mr. Saurabh Singh Mehta	Son	Mr. Shiv Singh Mehta & Mrs. Purnima Mehta
Mrs. Purnima Mehta	Spouse	Mr. Shiv Singh Mehta
Mrs. Purnima Mehta	Mother	Mr. Saurabh Singh Mehta



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

	No. of Shares Held
Mrs. Purnima Mehta	120692
CA Manoj Fadnis	-
Mr. Rakesh Kalra	-

L. WebLink: [knI.kritiindia.com](http://knI.kritiindia.com)

**3. AUDIT COMMITTEE**

(a) Terms of reference:

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

The Company Secretary acts as secretary to the committee.

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

(b) Constitution and Composition:

The Audit Committee of the Company as on 31st March, 2018 comprises of the following Directors of the Company.

Name of the Director	Designation
CA Manoj Fadnis	Chairman
Mr. Rakesh Kalra	Member
Mrs. Purnima Mehta	Member

(C) Meeting and attendance during the year:

Five (5) meetings were held during the financial year 2017-18 on 26th April, 2017, 10th May, 2017, 12th September, 2017, 13th December, 2017, 06th February, 2018. The attendance of each member of the committee is as under:

Name of the Director	No. of Meeting attended
CA Manoj Fadnis	5
Mr. Rakesh Kalra	5
Mrs. Purnima Mehta	5

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

**4. NOMINATION & REMUNERATION COMMITTEE**

(a) Terms of reference:

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

(b) Composition:

The Remuneration Committee of the Company as on 31st March, 2018 comprises of the following Directors of the Company.

Name of the Director	Designation
CA Manoj Fadnis	Chairman
Mr. Rakesh Kalra	Member
Mr. Bhuvnesh Shastri	Member

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

CS Vijay Khandelwal, Company Secretary acts as the Secretary to the Committee

(c) Performance Evaluation for Independent Directors:

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





that of its Committees and individual Directors.

(d) Remuneration Policy:

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

(e) Remuneration of Non-Executive Directors:

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

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

(f) Details of Remuneration to Managing Director, Executive Director :

Mr. Shiv Singh Mehta, Managing Director of the Company was appointed without any remuneration; hence no remuneration was paid to him by the Company.

The terms of remuneration of Mr. Saurabh Singh Mehta, Executive Director has already been fixed by the Board of directors and was approved by the shareholders.

During the financial year 2017-18, the particulars of remuneration paid to Whole-time Director is as under: -

Name of the Director	Salary (Rs.)	Perquisites	Commission	Stock option Details	Period of Contract
Mr. Saurabh Singh Mehta	24.00	6.00	45.00	NIL	3 Years starting from 1st August, 2016

(Rs. in Lakhs)

(g) Remuneration/Sitting fee to Other Non Executive Directors:

The details of sitting fee paid to each of the other non executive/Independent Directors during the year 2017-18 ended on 31st March, 2017 are given below:

Name	Sitting Fees	Other Payment	Total
Mr. Rakesh Kalra	0.85	-	0.85
CA Manoj Fadnis	0.85	-	0.85
Mr. Bhuvanesh Shastri	0.80	-	0.80
Mrs. Purnima Mehta	0.85	-	0.85

(Amt. in Lakhs)

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

Name of the Director	Designation
Mrs. Purnima Mehta	Chairman
Mr. Shiv Singh Mehta	Member
CA Manoj Fadnis	Member

b) CS Vijay Khandelwal, Company Secretary acts as the Secretary to the Committee

c) Share holder Compliant Status during the financial year 2017-18:

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

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Name of the Director	Designation
Mrs. Purnima Mehta	Chairman
Mr. Saurabh Singh Mehta	Member
Mr. Rakesh Kalra	Member

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



**7. MD Certification**

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

**8. INFORMATION ON GENERAL BODY MEETINGS**

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

Year	Location	Date	Time	Special Resolutions	Special resolution through postal Ballot
2016-2017	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	12th September, 2017	04:00 P.M.	No	No
2015-2016	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	11th August, 2016	05:00 P.M.	One	No
2014-2015	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	24th September, 2015	04:00 P.M.	No	No

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

**9. MEANS OF COMMUNICATION**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in following newspapers. These results are simultaneously posted on the website of the Company at [kn1.kritiindia.com](http://kn1.kritiindia.com) and also uploaded on the website of the BSE Ltd.

Quarterly Results	News Paper Publication	Displayed in Website
30.06.2017	Naidunia, Indore & Business Standard, Mumbai	<a href="http://kiil.kritiindia.com">kiil.kritiindia.com</a>
30.09.2017		
31.12.2017		
31.03.2018		

**10. GENERAL SHAREHOLDER INFORMATION**

**(a) Annual General Meeting:**

The 22nd Annual General Meeting of the Company will be held on Tuesday, Tuesday, the 31st July, 2018 at 4.00 P.M at Corporate Support Center of the company situated at "Chetak Chambers" 4th Floor, 14 R.N.T. Marg, Indore-452001 (M.P)

**(b) Board Meeting for the Financial Year: 2018-19 (from 1st April-2018 to 31st March, 2019)**

a. Un-Audited Results for the First Quarter ending 30th June, 2018	On or Before 14th August, 2018
b. Un-Audited Results for the Second Quarter ending 30th September, 2018	On or Before 14th November, 2018
c. Un-Audited Results for the Third Quarter ending 31st December, 2018	On or Before 14th February, 2019
d. Audited Results for the Fourth Quarter ending 31st March, 2019	On or Before 30th May, 2019
e. Annual General Meeting for the year ending March, 2019	Before end of September, 2019

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

The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, 25th July, 2018 to Tuesday, 31st July, 2018 (both days inclusive) for the 22nd Annual General Meeting.

**(d) Dividend History**

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

Financial Year	Interim @	Final @	Total@	Amount of Dividend (Rs. in Lakhs)
2016-17	-	12%	12%	60.12
2015-16	12%	-	12%	60.12
2014-15	-	10%	10%	50.10
2013-14	-	10%	10%	50.10
2012-13	-	6%	6%	30.06

**(e) Listing on Stock Exchange**

The Company's shares are traded on BSE.

The Company's shares are presently listed on the Bombay Stock Exchange Limited. The Company has paid annual listing fee for the year 2018-19.



## (f) Stock Code/ Details of Scrip

BSE	:	533210
NSDL & CDSL-ISIN	:	INE798K01010
ISIN NO	:	INE798K01010

## (g) Market Price Data (Rs.)

The monthly high and low quotations of shares of the Company traded at the Stock Exchange, Mumbai during the financial year 2017-18 are given below:

Month	High (Rs.)	Low (Rs.)
April, 2017	23.40	17.25
May, 2017	21.40	17.10
June, 2017	18.95	15.60
July, 2017	19.25	16.60
August, 2017	18.50	15.10
September, 2017	22.75	15.75
October, 2017	28.00	21.05
November, 2017	39.40	23.90
December, 2017	41.50	32.00
January, 2018	45.60	29.30
February, 2018	51.00	30.10
March, 2018	56.95	45.00

## (h) Share Transfer Agent

Ankit Consultancy Pvt. Limited  
 Plot No. 60, Electronic Complex  
 Pardeshipura  
 Indore- 452 010 (M.P)  
 Tel: 0731-4281333, 0731-4065797/99  
 Fax: 0731-4065798  
 E-mail: ankit4321@yahoo.com, info@ankitonline.com, support@ankitonline.com

## (i) Share Transfer System:

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

## (j) Distribution of Shareholding as on 31st March, 2018

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	6003	75.69
1001-2000	1034	13.04
2001-3000	287	3.62
3001-4000	271	3.42
4001-5000	63	0.79
5001-10000	141	1.78
10001-20000	61	0.77
20001-30000	18	0.23
30001-40000	17	0.21
40001-50000	7	0.09
50001-100000	11	0.14
100000 Above	18	0.23

## (k) Dematerialisation of Shares &amp; Liquidity

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



**(l) Details of Demat Shares as on 31st March 2018**

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	3179	42575376	84.97
CDSL	2528	4650664	9.29
Sub-Total	5707	47226040	94.26
Shares in physical form	2224	2877480	5.74
Grand Total	7931	50103520	100.00

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

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

**(n) Outstanding Convertible Instruments:**

There are no outstanding warrants or any convertible instruments.

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

Industrial Area No. 3, Dewas -455001(M.P)

**(p) Address for communication:**

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

Ankit Consultancy Pvt. Limited

Plot No. 60, Electronic Complex

Pardeshipura

Indore- 452 010 (M.P)

Tel: 0731-4281333, 0731-4065797/99

Fax: 0731-4065798

E-mail: ankit4321@yahoo.com, info@ankitonline.com, support@ankitonline.com

**11. DISCLOSURES**

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

None of the transaction with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 43 of Notes on Accounts, forming part of the Annual report.

All related party transactions were 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.

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

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

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

\* E-mail : info@kritiindia.com

\* Written Communication to : Mehta Chamber, 34, Siyaganj, Indore-452007(M.P) / Chetak Chamber, 4th Floor, 14 RNT Marg, Indore-452001 (M.P)

**d) Web links for Policies:**

Particular	Web links
Material Event Policy	<a href="http://knl.kritiindia.com/policies/">knl.kritiindia.com/policies/</a>
Related Party Transaction Policy	<a href="http://knl.kritiindia.com/policies/">knl.kritiindia.com/policies/</a>
Preservation of Documents	<a href="http://kiil.kritiindia.com/policies/">kiil.kritiindia.com/policies/</a>
Nomination and Remuneration Policy	<a href="http://kiil.kritiindia.com/policies/">kiil.kritiindia.com/policies/</a>



## MD/CEO CERTIFICATE

To,  
The Board of Directors,  
Kriti Nutrients Limited

Dear Sirs

We have reviewed the Financial Statement read with the cash flow statement of Kriti Nutrients Limited for the year 31st March, 2018 and that to the best of their knowledge and belief:

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

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

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

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

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

For: Kriti Nutrients Limited

Shiv Singh Mehta  
Managing Director  
DIN 00023523

### Declaration Regarding Code of Conduct

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

Shiv Singh Mehta  
Managing Director  
DIN 00023523



## REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of Kriti Nutrients Limited

1. We, Kaushal Agrawal & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

### Managements' Responsibility

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

### Our Responsibility

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

### Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR KAUSHAL AGRAWAL & CO.  
Practising Company Secretaries

Proprietor  
Kaushal Kumar Agrawal  
FCS 4985 CP 3457

Date: 16.05.2018  
Place: Indore



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### OVERVIEW

Your Company is engaged in the business of processing of soyabean seeds, refining of oil for edible use and production of soya based value added products. The soya products are used as nutritive supplement in various food products across the world. Indian soyabean is a non GMO crop and has an advantage over other competing origins. The demand of non GMO protein rich soya is continuously growing and we are well placed to harness this opportunity.

### MARKET REVIEW

As per Soybean Processors Association of India (SOPA), India's soybean output for soya season 2017-18 (September – October) was 83.5 lakh ton. With carry over stock of 13 lakh ton, overall availability of soybean was 96.50 lakh ton. Out of this around 80 lakh ton of soybean is estimated to be used for crushing, 2 lakh ton for exports, 1.5 lakh ton for direct consumption and 12 lakh ton of sowing. 1 lakh ton will be carried forward in stocks for the next season.

In the current year Indian oil seed production decreased by 1.3 % as compared to the last year. Soybean production declined from 106 lakh ton to 83 lakh ton. However edible oil consumption stayed at the past levels. To meet local requirements edible oil imports have increased to 15.8 MMT. An increase of 5.3% over last year.

With growing public awareness and preference branded edible oil sales are growing. People are switching from tradition of purchasing loose oil to packaged oil. It is anticipated that this will give additional growth of 2.5% to this segment.

India has been losing competitive advantage in its traditional markets of South East Asia as landed prices of its soymeal are higher as compared to supplies from other destinations. However Europe who prefers non GMO soymeal is offering good opportunity. Indian meal is getting premium in these markets.

To support farmers and to maintain remunerative oils seed prices for them, from time to time government has been increasing import duty on oil imports. Presently they are at highest level in last one decade.

IMD monsoon forecast is encouraging for the ensuing season. With normal rains spread across soybean production areas business activity is expected to be good during coming season.

### FINANCIAL PERFORMANCE

Your Company has achieved a total turnover of Rs. 46103.60 Lakhs (Previous year Rs. 45755.04 Lakhs) including exports of Rs. 13355.55 Lakhs (Previous year Rs. 13559.57 Lakhs) and Profit before Tax of Rs. 2517.02 Lakhs (Previous year Rs. 958.97 Lakhs) and Profit after Tax of Rs. 1578.61 Lakhs (Previous year Rs. 628.55 Lakhs).

The total finance cost of the company was Rs. 5.17 Cr. (1.12% to Sales) as against Rs. 4.73 Cr. (1.03% to Sales) in the previous year. The interest out go in fund base working capital and term loan was Rs 2.69 Cr. and Non-fund LC/BG discounting was Rs. 1.70 Cr. Total commission and charges paid were Rs. 0.78 Cr. The corresponding discounted bills payable have been classified as creditors.

Effective average rate of interest on fund base working capital & term loan was 9.96%. Bank limits varies from month to month as per business volume in peak/lean season. During the year company paid off all the due term loan and company is now debt free.

### BUSINESS STRATEGY ANALYSIS AND OUTLOOK

Your company enjoys a strong consumer loyalty for its brand Kriti Soya Oil and strong institutional relationships for its value added soya products. In both product categories the company has enhanced its market share in the year gone by. The recently launched Kriti Sun Flower Oil is gaining traction and volumes are improving. The company intends to continue its focus on these markets and products. Having created a niche market segment for itself through its high quality soya products and strong distribution network. "KRITI" brand is positioned strongly in minds of customers and it caters to the premium segment of the market.

Your company's philosophy is to serve its customers the best quality of products in line with global standard. The recent commissioning of the advanced state of the art refinery facility is in tune with company philosophy of "fuelled by growth & driven by technology." The resultant product from one of the most modern refinery complex in the industry is a safer oil which stands the test of the highest stringent quality norms across the globe.

Thus, it intends to expand its geographical reach by developing strong distribution network outside the existing markets. This financial year, your company has initiated a business transformation exercise for the sales and marketing functions of Kriti Oil. This initiative is aimed at facilitating Kriti to significantly improve its market share - to achieve quantum leap in the next few years.

Your company plans to invest purposefully on focused marketing activities in existing as well as new markets to further strengthen the brand positioning and recall. To support this activity your company has invested in development of new product packaging.

Your company is focused on maximizing the profits in the entire value chain from sourcing of soyabean seed to marketing and distribution of refined soya oil.

It is further looking to increase its competitiveness by making investment in modernizing the operations to achieve greater operational efficiency, flexibility in producing various products in a cost-efficient manner.



Your company differentiates itself from the competition by having developed the capabilities to meet the stringent global quality norms. It has got the distinction of being able to produce high quality value added soya products that go into the critical food and pharmaceutical applications. In order to further improve the overall business margin, your company is focusing on innovation, R&D and investment in new technology and is confident of developing diversified products that will help us to cater to the needs of our customers and delivering the high return to shareholders.

## THREAT

The availability of soyabean seed depends on monsoon. The price parity and supply position of soyabean determines the plant utilization and profitability.

Prices depend on real impact of monsoon rains and acreage data in the second half of 2018. Any weather disturbances during sowing and growing periods or in the US, could trigger a sharp recovery in the domestic market.

Global demand and fluctuation in foreign exchange rates may affect export business.

## INFORMATION & TECHNOLOGY

SAP HANA has been implemented successfully and helping in business analytics and efficiency. Your Company views these investments as a strategic tool to enhance its operational efficiencies.

In line with overall growth objective and strengthening of infrastructure base, the company continues to invest in Information Technology (IT) viz. SAP Enterprising Resource Planning System, CRM, HRM, Sales Force Mobility for leveraging its business values. Through implementation of these software's the company has improved its efficiencies.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of follow-up action required.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human Resources is considered as key to the future growth strategy of the company and looked upon to focus its efforts to further align human resources policies, processes and initiative to meet its business needs. The Management of your Company put utmost efforts to strengthen the existing work force and retaining them to enhance the human resource capability in the Company. In order to focus on keeping employees abreast of technological and technical developments, the company provides opportunity for training and learning. Thus, your company is creating a collaborative and innovation-driven work culture to attract, retain and develop the best talent in the industry. There are 224 permanent employees on the rolls of Company at March 31, 2018.

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

## CAUTIONARY STATEMENT

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





## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying Financial Statements of KRITI NUTRIENTS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit & Loss (including other comprehensive income), and the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of their risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Account) rules, 2014
  - (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R.S. BANSAL & COMPANY  
Chartered Accountants  
FRN: 000939C

(CA. Vijay Bansal)  
Partner  
M No : 075344

Place: Indore  
Date: 16.05.2018



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

As referred to in our Independent Auditor’s Report of even date to the members of Kriti Nutrients Limited for the year ended March 31, 2018

1. **FIXED ASSETS:**
  - (a) As informed to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The entire records have been maintained on computer system through SAP.
  - (a) As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable interval and no significant discrepancies were noticed on such physical verification.
  - (b) The land of the company for the factory is on Lease for 99 years since 1984 from Madhya Pradesh Audhyogik Kendra Vikas Nigam (Indore) Limited. The lease agreement is executed in the name of company.
2. **Inventory:**
  - (a) As informed and explained to us the inventory has been physically verified during the year by the management at regular intervals.
  - (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 given to us, the company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock.
3. **Loans granted:**  
As per information and explanation given to us, the Company has not granted any secured/unsecured loans to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013
4. **Loan, Investment and Guarantees:**  
In our opinion and according to the information and explanations give to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. **Public Deposit:**  
According to the information and explanations given to us, the company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. **Cost Records:**  
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 cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained
7. **Statutory Dues**
  - (a) According to the books of accounts and records examined by us according to generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Excise Duty, Goods and Service Tax & Cess which have not been deposited on account of any dispute, except the following :-

Sr. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount ( In Rs.)
1.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2004-05	21,55,460
2.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2005-06	81,41,497
3.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2005-06	8,95,411
4.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2006-07	8,70,630
5.	M.P. COMMERCIAL TAX	ADDITIONAL COMMISSIONER	2013-14	5,08,767
6.	CENTRAL SALES TAX	M. P. HIGH COURT, JABALPUR	2006-07	1,14,25,030
7.	CENTRAL SALES TAX	APPELLATE BOARD, BHOPAL	2005-06	32,699
8.	CENTRAL SALES TAX	DEPUETY COMMISSIONER, INDORE	2014-15	63,454
9.	M.P. COMMERCIAL TAX	ADDITIONAL COMMISSIONER	2014-15	1,37,115
10.	M.P. COMMERCIAL TAX	ADDITIONAL COMMISSIONER	2015-16	1,27,843



Sr. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount ( In Rs.)
11.	ENTRY TAX	SALES TAX COMMISSIONER	2005-06	50,31,195
12.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2007-08	18,22,609
13.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2008-09	3,90,591
14.	ENTRY TAX	HIGH COURT	2006-07	3,85,348
15.	ENTRY TAX	HIGH COURT	2008-09	14,78,648

8. Default in repayment of dues to Financial Institutions, Banks, Government or debenture holders:  
According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. Utilization of Term Loans and Initial/Further Public offer:  
According to information and explanation given to us, the company has not raised money by way of Initial/Further Public Offer and no term loan has been obtained by the company during the year.
10. Fraud Noticed or Recorded  
According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.
11. Managerial Remuneration  
According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. Nidhi Company:  
In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.
13. Transaction with Related Parties:  
According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. Preferential Allotment/Private Placement:  
According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. Non-Cash Transactions:  
According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. Registration with Reserve Bank of India:  
The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For R. S. BANSAL & COMPANY  
Chartered Accountants  
FRN: 000939C

(CA. Vijay Bansal)  
Partner  
M No: 075344

Place: Indore  
Date: 16.05.2018



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

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

We have audited the internal financial controls over financial reporting KRITI NUTRIENTS LIMITED, (“the Company”), as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditors’ Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R.S. BANSAL & COMPANY

Chartered Accountants

FRN: 000939C

(CA. Vijay Bansal)

Partner

MNo: 075344

Place: Indore

Date: 16.05.2018



## KRITI NUTRIENTS LIMITED

CIN: L24132MP1996PLCO11245  
BALANCE SHEET AS AT 31.03.2018

(Rs. in Lakhs)

PARTICULARS	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
(1) Non Current Assets				
(a) Property, Plant and Equipment	4	3959.58	3428.26	3422.07
(b) Capital work-in-progress		35.63	0.00	7.01
(c) Other Intangible assets	5	52.43	71.85	23.79
(d) Financial Assets				
(i) Investments	6	13.33	13.61	11.84
(ii) Loans /Advances/Deposits	7	71.11	94.11	47.83
(iii) Other financial assets	8	22.50	19.12	19.24
<b>Total Non-current assets</b>		<b>4154.58</b>	<b>3626.95</b>	<b>3531.78</b>
(2) Current assets				
(a) Inventories	9	3498.06	3853.93	2443.70
(b) Financial Assets				
(i) Trade receivables	10	1237.98	1477.64	519.01
(ii) Cash and cash equivalents	11	99.35	28.00	57.56
(iii) Bank balances other than (ii) above	12	45.96	165.36	124.75
(iv) Loans and Advance	13	470.86	287.58	426.75
(c) Current Tax Assets (Net)		0.00	0.00	0.00
(d) Other current assets	14	1557.27	890.83	453.02
<b>Total Current assets</b>		<b>6909.48</b>	<b>6703.34</b>	<b>4024.79</b>
<b>Total Assets</b>		<b>11064.06</b>	<b>10330.29</b>	<b>7556.57</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	15	501.04	501.04	501.04
(b) Other Equity	16	4849.84	3322.62	2761.96
<b>Total Equity</b>		<b>5350.88</b>	<b>3823.66</b>	<b>3263.00</b>
<b>Liabilities</b>				
(3) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	0.00	0.00	70.00
(b) Deferred tax liabilities (Net)	18	628.96	547.02	519.91
(c) Other non-current liabilities	19	43.56	159.56	154.31
<b>Total Non-current liabilities</b>		<b>672.52</b>	<b>706.58</b>	<b>744.22</b>
(4) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	2958.63	3396.14	1055.69
(ii) Trade payables	21	909.20	1695.04	1513.21
(iii) Others financial liabilities	22	14.88	82.50	315.37
(b) Other current liabilities	23	256.48	260.18	324.34
(c) Provisions	24	54.97	53.68	45.74
(d) Current Tax Liabilities (Net)	25	846.50	312.50	295.00
<b>Total Current liabilities</b>		<b>5040.66</b>	<b>5800.04</b>	<b>3549.35</b>
<b>Total Equity and Liabilities</b>		<b>11064.06</b>	<b>10330.29</b>	<b>7556.57</b>

Significant accounting policies

1-3

Other Notes to the accounts

32-46

As per Our Report of Even Date Attached

For R.S. BANSAL &amp; COMPANY

Chartered Accountants

F.R.N. 000939C

For and on Behalf of the Board of Directors

Vijay Bansal  
(Partner)

M. No. 075344

Place: Indore

Date: 16<sup>th</sup> May 2018

Shiv Singh Mehta  
(Managing Director)

(DIN: 00023523)

Purnima Mehta  
(Director)

(DIN:00023632)

S.C. Jajoo  
(Chief Financial Officer)

Vijay Khandelwal  
(Company Secretary)



## KRITI NUTRIENTS LIMITED

CIN: L24132MP1996PLCO11245

STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31.03.2018

(Rs. in Lakhs)

PARTICULARS	Note No	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
1 Income			
(i) Revenue From Operations	26	46103.60	45755.04
(ii) Other Income	27	162.84	267.05
Total Revenue (i+ii)		46266.44	46022.09
2 Expenses			
(a) Cost of materials consumed		38513.38	39698.44
(b) Purchases of Stock-in-Trade		500.64	145.52
(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		(601.99)	51.46
(d) Excise Duty	28	36.17	101.43
(e) Employee benefits expense	29	750.15	673.28
(f) Finance costs	30	517.44	472.84
(g) Depreciation and amortization expense	4-5	260.54	244.60
(h) Other expenses	31	3773.09	3675.55
Total Expenses		43749.42	45063.12
4 Profit/(loss) before tax		2517.02	958.97
5 Tax expense:			
(i) Current tax		856.47	303.31
(ii) Deferred tax		81.94	27.11
Total Tax Expenses(i+ii)		938.41	330.42
6 Profit (Loss) after Tax for the period (4-5)		1578.61	628.55
7 Other Comprehensive Income (net of tax)			
a (i) Items that will be reclassified to Profit and Loss			
Fair Valuation of Investment through OCI		0.72	1.77
Designated Cash Flow Hedges		25.49	0.00
b (i) Items that will not be reclassified to Profit and Loss			
Remeasurement of defined benefits plans		(5.24)	(3.81)
8 Total comprehensive Income for the Period (6+7)		1599.58	626.51
Paid up Equity Share Capital (face Value Rs.1 Per Share)		501.04	501.04
9 Earning per share (of Rs.1/- each) (not annualised)			
(1) Basic		3.15	1.25
(2) Diluted		3.15	1.25

Significant accounting policies  
Other notes on accounts

1-3  
32-46

As per Our Report of Even Date Attached  
For R.S. BANSAL & Company  
Chartered Accountants  
F.R.N. 000939C

For and on Behalf of the Board of Directors

Vijay Bansal  
(Partner)  
M. No. 075344  
Place: Indore  
Date: 16<sup>th</sup> May 2018

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

Purnima Mehta  
(Director)  
(DIN:00023632)

S.C. Jajoo  
(Chief Financial Officer)

Vijay Khandelwal  
(Company Secretary)





## KRITI NUTRIENTS LIMITED

CIN: L24132MP1996PLCO11245

CASH FLOW STATEMENT AS AT 31.03.2018

(Rs. in Lakhs)

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
Net Profit before Tax		2517.02		958.97
Adjustments for :				
Depreciation	260.54		244.60	
Dividend Received	0.00		(0.08)	
Excess Provision of Income Tax	0.00		0.00	
(Profit)/ Loss on Sale of Fixed Assets	(4.99)		0.00	
Financial Income	(157.85)		(266.97)	
Financial Expense	517.44	615.14	472.84	450.39
<b>Cash Operating Profit before working capital changes</b>		<b>3132.16</b>		<b>1409.36</b>
Increase / (Decrease) in Trade Payables	(785.87)		181.83	
Increase / (Decrease) in Other Financial Liabilities	(67.62)		(232.84)	
Increase / (Decrease) in Short term Provisions	22.27		(59.95)	
Increase / (Decrease) in Current Tax Liabilities (Net)	(322.47)		(285.81)	
Increase / (Decrease) in Other Current Liabilities	(3.70)		(64.16)	
(Increase) / Decrease in Inventories	355.88		(1410.22)	
(Increase) / Decrease in Trade Receivables	239.66		(958.64)	
(Increase) / Decrease in Long term Loans & Advances	23.00		(46.28)	
(Increase) / Decrease in Other Financial Assets	(3.38)		0.12	
(Increase) / Decrease in Short term Loans & Advances	(183.27)		139.17	
(Increase) / Decrease in Other Current Assets	14.74		(87.66)	
		(710.76)		(2824.44)
Tax Paid		(681.18)		(350.15)
<b>Net Cash From Operating Activities (A)</b>		<b>1740.22</b>		<b>(1765.23)</b>
<b>Cash Flow From Investing Activities</b>				
Dividend Income	-		0.08	
Financial Income	157.85		266.97	
Sale Proceed Of Fixed Assets (Net)	19.30		8.69	
Purchase of Fixed Assets	(822.38)		(300.53)	
Decrease in Investment	0.28		(1.77)	
Decrease Investment in Fixed Deposits having maturity of less than twelve months	121.79		(38.38)	
(Increase) / Decrease in Non Current Investment	(2.39)		(2.23)	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(525.55)</b>		<b>(67.18)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	-		-	
Repayment of Long Term Borrowings	-		(70.00)	
Net Increase / (Decrease) in Long Term Borrowings	-		(70.00)	
Increase / (Decrease) in Other Long Term Liability	(116.00)		5.25	
Increase / (Decrease) in Short Term Borrowings	(437.51)		2340.44	
Dividend Paid on Equity Shares	(60.12)		-	
Dividend Distribution Tax Paid	(12.24)		-	
Financial Expenses	(517.44)		(472.84)	
<b>Net Cash Used In Financing Activities (C)</b>		<b>(1143.31)</b>		<b>1802.85</b>
<b>Net Increase In Cash and Cash Equivalents (A + B + C)</b>		<b>71.35</b>		<b>(29.56)</b>
ADD :Cash and cash equivalents - Opening - 1st April		28.00		57.56
<b>Cash and cash equivalents - Closing - 31st March ,2018</b>		<b>99.35</b>		<b>28.00</b>



**Footnote to Cash Flow Statement:**

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

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Cash & Cash Equivalents		
Balances with Banks		
Current Account	95.06	0.74
Fixed Deposit having maturity 3 month or less	0.16	22.09
Cheques, Draft on hand	-	-
Cash on hand	4.13	5.17
<b>Total of Cash &amp; Cash Equivalent</b>	<b>99.35</b>	<b>28.00</b>

Significant accounting policies

1-3

Other notes on accounts

32-46

As per Our Report of Even Date Attached

For R.S. BANSAL & Company

Chartered Accountants

F.R.N. 000939C

For and on Behalf of the Board of Directors

Vijay Bansal  
(Partner)  
M. No. 075344

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

Purnima Mehta  
(Director)  
(DIN:00023632)

S.C. Jajoo  
(Chief Financial Officer)

Vijay Khandelwal  
(Company Secretary)

Place: Indore

Date: 16<sup>th</sup> May 2018

Equity Share Capital	Balances as at 1st April, 2016	Changes in equity share capital during the year	Balance as at 31st Mar, 2017	Balances as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
Paid up Capital	501.04	-	501.04	501.04	-	501.04

OTHER EQUITY	Reserves and Surplus					Other Comprehensive Income				
	General Reserve	Capital Reserve Account	Contingency Reserve	Share Forfeiture Account	Retained Earnings	Total	Fair Valuation of Investment through OCI	Designated Cash Flow	Other Comprehensive Income Total	Total
Balances as at 1st April, 2016	650.00	295.56	25.00	-	1730.57	2701.13		65.85	65.85	2766.98
Changes in accounting policy or prior period errors					-	-			-	-
Amortization of Leasehold Land					(5.95)	(5.95)			-	(5.95)
Prior period expenses					(2.50)	(2.50)			-	(2.50)
Gain on Fair Value of Investment					3.43	3.43			-	3.43
Restated Balances as at 1st April, 2016	650.00	295.56	25.00	-	1725.55	2696.11	-	65.85	65.85	2761.96
Profit for the year					628.55	628.55			-	628.55
Other Comprehensive Income:					(3.81)	(3.81)	1.77		1.77	(2.04)
Final Dividend paid including corporate dividend tax for FY 2016-17										-
Interim Dividend paid including corporate dividend tax										-
Transfer to General Reserve	100.00				(100.00)					-
Expected Credit Loss										-
Transfer from Statement of Profit & Loss								(65.85)	(65.85)	(65.85)
Balance as at 31st March, 2017	750.00	295.56	25.00	-	2250.29	3320.86	1.77	-	1.77	3322.62
Profit for the year					1,578.61	1578.61	0.72	25.49		1578.61
Other Comprehensive Income:					(5.24)	(5.24)				20.97
Amortization of Leasehold Land										-
Final Dividend paid including corporate dividend tax					(72.36)	(72.36)				(72.36)
Transfer to General Reserve	100.00				(100.00)					-
Transfer from Statement of Profit & Loss										-
Balance as at 31st March, 2018	850.00	295.56	25.00	-	3651.30	4821.87	2.49	25.49	27.98	4849.84



## NOTES - 1

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 31.03.2018

#### 1. Corporate Information

Kriti Nutrients Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 24.09.1996 and having its Registered office in Indore (MP). The company's shares are listed in the Bombay Stock Exchange (BSE). The Company is in the business of Soya Seed Extraction and Manufacturing & Selling of cooking oil under its own brand "KRITI".

#### 2 Significant Accounting Policies

##### 2.1 Basis of Preparation and Presentation

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

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

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

Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which include Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

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

##### 2.2 Summary of Significant Accounting Policies

###### 2.2.1. Property, Plant and Equipment

- a) Property, Plant and Equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of Property, Plant and Equipment, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- c) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.
- d) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.  
Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- e) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- f) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- g) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares which are not consumed are treated as "Stores & Spares" carried as inventory.

###### 2.2.2. Leases

- a) Leases are classified as finance leases wherever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.



- b) Leased assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
- c) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.
- d) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- e) Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

#### 2.2.3. Intangible assets

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

#### 2.2.4. Capital Work in Progress

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

#### 2.2.5. Research and Development Expenditure

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

#### 2.2.6. Finance Cost

- a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of



time to get ready for its intended use.

- b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- c) All other borrowing costs are expensed in the period in which they occur.

#### 2.2.7. Inventories

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

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

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

#### 2.2.9. Provisions, Contingent Liabilities and Contingent Assets and Commitments

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

#### 2.2.10. Employee Benefits Expense

##### Short Term Employee Benefits

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

##### Post-Employment Benefits

##### Defined Contribution Plans

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

##### Defined Benefit Plans

- c) The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary



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

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

#### 2.2.11. Tax Expenses

- a) The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

##### Current tax

- b) Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

##### Deferred tax

- c) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
- d) Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### 2.2.12. Foreign currencies transactions and translation

- a) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss account of the year.
- b) Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate/ forward contract booked (if any) and the resultant exchange differences are recognized in the Statement of profit and loss account.
- c) Realized gain or loss on cancellation of forward exchange contract is recognized in the Statement of Profit and Loss for the year.
- d) Gain/ Loss on exchange difference on pending forward exchange contract which are yet to be executed are measured on the basis of difference between spot rate at year end and with forward contract exchange rate (premium adjusted) of respective date through "Designated Cash flow Hedge Reserve"

#### 2.2.13. Revenue recognition

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

##### Interest income



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

Dividends

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

## 2.2.14. Insurance Claims

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

## 2.2.15. Government Grants

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

## 2.2.16. Financial instruments

### I. Financial Assets

#### a. Initial recognition and measurement

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

#### b. Subsequent measurement

##### i. Financial assets carried at amortised cost (AC)

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

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

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

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

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

#### c. Other Equity Investments

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

#### d. Impairment of financial assets

i. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through Statement of profit and loss (FVTPL).

ii. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

iii. For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

iv. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### II. Financial liabilities

#### a. Initial recognition and measurement





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

b. Subsequent measurement

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

i. Hedge Accounting

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

a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

ii. De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.2.17. Operating Cycle

a. The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

b. A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting



period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

## 2.2.18. Earnings Per Share

- a. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.
- b. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.2.19. Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

## 2.2.20. Statement of Cash Flows

### a. Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- b. Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

## 2.3 Critical accounting Judgment and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 2.3.1. Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

### 2.3.2. Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counter-party, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### 2.3.3. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### 2.3.4. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any



indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### 2.3.5. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### 2.4. First Time Adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Exemptions from retrospective application :

##### 2.4.1. Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2016 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date

##### 2.4.2. Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

##### 2.4.3. Cumulative translation differences

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.



## Kriti Nutrients Ltd

Notes to the financial statements

Note-3(a) Reconciliation of Equity as at 1st April, 2016

(Rs.in Lakhs)

PARTICULARS	Foot Note No.	Previous GAAP	Reclassification Adjustments	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment	3.1	3428.02		(5.95)	3422.07
(b) Capital work-in-progress		7.01			7.01
(c) Other Intangible assets		23.79			23.79
<b>(d) Financial Assets</b>					
(i) Investments		8.41		3.43	11.84
(ii) Loans		47.83			47.83
(iii) Other financial assets	3.2	-	19.24		19.24
(e) Other non current assets	3.2	19.24	(19.24)		-
<b>Total Non Current Assets</b>		<b>3534.30</b>	<b>0.00</b>	<b>(2.52)</b>	<b>3531.79</b>
<b>(2) Current assets</b>					
(a) Inventories		2443.70			2443.70
<b>(b) Financial Assets</b>					
(i) Trade receivables		507.36	11.65		519.01
(ii) Cash and cash equivalents		57.56			57.56
(iii) Bank balances other than (ii) above		124.75			124.75
(iv) Loans & Advances		426.75			426.75
(c) Current Tax Assets (Net)		-			0.00
(d) Other current assets		453.02			453.02
<b>Total Current Assets</b>		<b>4013.14</b>	<b>11.65</b>	<b>-</b>	<b>4024.78</b>
<b>Total Assets</b>		<b>7547.44</b>	<b>11.65</b>	<b>(2.52)</b>	<b>7556.57</b>
<b>EQUITY AND LIABILITIES</b>					
<b>(3) Equity</b>					
(a) Equity Share capital		501.04		-	501.04
(b) Other Equity	3.1	2766.98		(5.02)	2761.96
<b>Total Equity</b>		<b>3268.02</b>		<b>(5.02)</b>	<b>3263.00</b>
<b>(4) LIABILITIES</b>					
<b>Non-current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings		70.00			70.00
(b) Deferred tax liabilities (Net)		519.91			519.91
(c) Other non-current liabilities		154.31			154.31
<b>Total Non Current Liabilities</b>		<b>744.22</b>	<b>-</b>	<b>-</b>	<b>744.22</b>
<b>(5) Current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings		1055.69			1055.69
(ii) Trade payables		1548.38	(35.17)		1513.21
(iii) Others Financial Liabilities	3.3	-	315.37		315.37
(b) Other current liabilities	3.3	602.04	(280.20)	2.50	324.34
(c) Provisions	3.4	329.09	(283.35)		45.74
(d) Current Tax Liabilities (Net)	3.4	-	295.00		295.00
<b>Total Current Liabilities</b>		<b>3535.20</b>	<b>11.65</b>	<b>2.50</b>	<b>3549.35</b>
<b>Total Equity and Liabilities</b>		<b>7547.44</b>	<b>11.65</b>	<b>(2.52)</b>	<b>7556.57</b>



## Notes to the Financial Statements

Note 3(b) Reconciliation of Total Comprehensive Income for the period ended 31st March, 2017

(Rs.in Lakhs)

PARTICULARS	Foot Note No.	Previous GAAP	Reclassification Adjustments	Effects of transition to Ind AS	Ind AS
Revenue From Operations	3.5	45653.61	101.43		45755.04
Other Income		267.05			267.05
Total Income		45920.66	101.43		46022.09
<b>EXPENSES</b>					
Cost of materials consumed		39698.44			39698.44
Purchases of Stock-in-Trade		145.52			145.52
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		51.46			51.46
Excise Duty	3.5	-	101.43		101.43
Employee benefits expense	3.6	677.09		(3.81)	673.28
Finance costs		472.84			472.84
Depreciation and amortization expense	3.1	243.63		0.97	244.60
Other expenses		3668.22		7.33	3675.55
Total expenses		44957.20	101.43	4.49	45063.12
Profit/(loss) before exceptional items and tax		963.46	-	(4.49)	958.97
Prior period Expenses		2.50	-	(2.50)	-
Profit/(loss) before tax		960.96	-	(1.99)	958.97
Tax expense:					
(1) Current tax		312.50	(9.19)		303.31
(2) Deferred tax		27.11			27.11
(3) Excess Provision of Earlier Year Written Back		(9.19)	9.19		-
Total Tax Expenses		330.42	-		330.42
Profit/(loss) after tax		630.54	-	(1.99)	628.55
Other Comprehensive Income(net of tax)					
(i) Items that will be reclassified to Profit and Loss	3.7		-	1.77	1.77
Fair Valuation of Investment through OCI					
(i) Items that will not be reclassified to Profit and Loss			-	(3.81)	(3.81)
Remeasurement of defined benefits plans	3.6	-			
Total Comprehensive Income for the period		630.54	-	(4.03)	626.51
Earnings per equity share					
(1) Basic		1.26			1.25
(2) Diluted		1.26			1.25



## Notes to the Financial Statements

Note 3(c) Reconciliation of Equity as at 31st March, 2017

(Rs.in Lakhs)

PARTICULARS	Foot Note No.	Previous GAAP	Reclassification Adjustments	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>					
(1) Non-current assets					
(a) Property, Plant and Equipment	3.1	3435.18		(6.92)	3428.26
(b) Capital work-in-progress		-			0.00
(c) Other Intangible assets		71.85			71.85
(d) Financial Assets					
(i) Investments		8.41	-	5.20	13.61
(ii) Loans		94.11			94.11
(iii) Other financial assets	3.2	-	19.12		19.12
(e) Other non current assets	3.2	19.12	(19.12)		-
<b>Total Non Current Assets</b>		<b>3628.67</b>	<b>0.00</b>	<b>(1.72)</b>	<b>3626.95</b>
(2) Current assets					
(a) Inventories		3853.93			3853.93
(b) Financial Assets					
(i) Trade receivables		1465.99	11.65		1477.64
(ii) Cash and cash equivalents		28.00			28.00
(iii) Bank balances other than (ii) above		165.36			165.36
(iv) Loans		287.58			287.58
(c) Current Tax Assets (Net)		-			-
(d) Other current assets		890.83			890.83
<b>Total Current Assets</b>		<b>6691.69</b>	<b>11.65</b>	<b>-</b>	<b>6703.34</b>
<b>Total Assets</b>		<b>10320.36</b>	<b>11.65</b>	<b>(1.72)</b>	<b>10330.29</b>
<b>EQUITY AND LIABILITIES</b>					
(3) Equity					
(a) Equity Share capital		501.04	-		501.04
(b) Other Equity	3.1	3331.67	-	(9.05)	3322.62
<b>Total Equity</b>		<b>3832.71</b>	<b>-</b>	<b>(9.05)</b>	<b>3823.66</b>
(4) LIABILITIES					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings		-			-
(b) Deferred tax liabilities (Net)		547.02			547.02
(c) Other non-current liabilities		159.56			159.56
<b>Total Non Current Liabilities</b>		<b>706.58</b>	<b>-</b>	<b>-</b>	<b>706.58</b>
(5) Current liabilities					
(a) Financial Liabilities					
(i) Borrowings		3396.14			3396.14
(ii) Trade payables		1739.52	(44.48)		1695.04
(iii) Others Financial Liabilities	3.3	-	82.50		82.50
(b) Other current liabilities	3.3	298.20	(38.02)		260.18
(c) Provisions	3.4	347.21	(293.52)		53.69
(d) Current Tax Liabilities (Net)	3.4	-	312.50		312.50
<b>Total Current Liabilities</b>		<b>5781.07</b>	<b>18.98</b>	<b>-</b>	<b>5800.04</b>
<b>Total Equity and Liabilities</b>		<b>10320.36</b>	<b>18.98</b>	<b>(9.05)</b>	<b>10330.29</b>



## Foot Notes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and reconciliation of statement of profit and loss for the year ended March 31, 2017

### 3.1 Property, Plant & Equipment

As per the requirements of Ind AS 17 "Leases" the lease premium paid for the acquisition of land has been amortised over the lease tenure. Accordingly there is an decrease in value of Leasehold land and increase in Depreciation and Amortisation expenses.

### 3.2 Other non current assets

Under Indian GAAP, the Company classified all its long term Fixed Deposits & deposit to wholly owned subsidiary company as non current assets , in the absence of distinction between financial and non-financial assets. Under Ind AS, financial and nonfinancial assets have to be classified and measured separately, hence, long term Fixed Deposits forming part of other non-current assets in Indian GAAP have been regrouped to other financial assets under Ind AS.

### 3.3 Other current financial liabilities

Under Indian GAAP, the Company classified all its liabilities such as current portion of long term borrowings, outstanding liabilities, statutory liabilities & unpaid dividend ,as part of other current liabilities, in the absence of distinction between financial and non-financial liabilities. Under Ind AS, financial and non-financial liabilities have to be classified and measured separately. Hence, such items forming part of other current liabilities ie current portion of long term borrowings and unpaid dividend have been regrouped to 'other current financial liabilities' in Ind AS.

### 3.4 Provisions

Under Indian GAAP, the Company classified all the provisions under the same head. Under Ind AS, income tax provisions & other provisions are to classified and measured separately, hence, provision for income tax forming part of provisions in Indian GAAP have been regrouped to current tax liabilities under Ind AS.

### 3.5 Sale of Goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus sale of goods under Ind AS has increased with a corresponding increase in separate expense head "Excise Duty".

### 3.6 Defined Benefit obligation

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions ,the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and there turn on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

### 3.7 Other comprehensive income

Under Indian GAAP, there were no requirements to separately disclose Other Comprehensive Income ('OCI') and hence, the Company had not presented other comprehensive income (OCI) separately. Further the items presented in Other Comprehensive Income are classified as items that will be re-classified to profit or loss and items which will not be classified to profit or loss. The actuarial gains and losses on defined benefit obligations have been classified in other comprehensive income as items that will not be re-classified to profit or loss.



**KRITI NUTRIENTS LTD**

Schedule Forming Part of the Balance Sheet and Profit & Loss Accounts  
(AS PER COMPANIES ACT 2013)

NOTE NO. -4-5 FIXED ASSETS (2016-17)

NOTE	PARTICULARS	GROSS BLOCK		DEDUCTION	TOTAL	DEPRECIATION		TOTAL	NET BLOCK 31.03.2017	NET BLOCK 31.03.2016
		01.04.2016 Additions	01.04.2016 Deduction			01.04.2016 For Year	Written back			
4	TANGIBLE ASSET									
4.1	Land									
4.1.1	Free hold Land	53.59	-	-	53.59	-	-	-	53.59	53.59
4.1.2	Leasehold Land	72.36	-	-	72.36	0.97	-	0.97	71.39	72.36
4.2	Building	670.66	43.88	-	714.54	38.53	-	38.53	676.01	670.66
4.3	Plant & Equipment	2594.86	200.03	16.36	2778.53	176.03	1.14	174.89	2603.64	2594.86
4.4	Furniture & Fixture	2.83	-	-	2.83	0.07	-	0.07	2.76	2.83
4.5	Vehicles	25.32	-	-	25.32	7.25	-	7.25	18.07	25.32
4.6	Office Equipment	2.45	2.12	-	4.57	1.76	-	1.76	2.81	2.45
	Total (4)	3422.07	246.03	16.36	3651.74	224.62	1.14	223.48	3428.26	3422.07
5	OTHER INTANGIBLE ASSETS									
5.1	Computer Software	-	-	-	-	-	-	-	-	-
5.2	License ( SAP )	23.79	68.05	-	91.84	19.98	-	19.98	71.85	23.79
5.3	Goodwill	-	-	-	-	-	-	-	-	-
	Total (5)	23.79	68.05	-	91.84	19.98	-	19.98	71.85	23.79
	TOTAL (4+5)	3445.86	314.08	16.36	3743.58	244.60	1.14	243.46	3500.12	3445.86

NOTE NO. -4-5 FIXED ASSETS (2017-18)

NOTE	PARTICULARS	GROSS BLOCK		DEDUCTION	TOTAL	DEPRECIATION		TOTAL	NET BLOCK 31.03.2018	NET BLOCK 31.03.2017
		01.04.2017 Additions	01.04.2017 Deduction			01.04.2017 For Year	Written back			
4	TANGIBLE ASSET									
4.1	Land									
4.1.1	Free hold Land	53.59	0.00	0.00	53.59	0.00	0.00	0.00	53.59	53.59
4.1.2	Leasehold Land	72.36	0.00	0.00	72.36	0.97	0.00	1.94	70.42	71.39
4.2	Building	714.54	9.79	0.00	724.34	38.53	0.00	78.59	645.74	676.01
4.3	Plant & Equipment	2778.53	762.59	14.30	3526.82	174.89	1.65	360.24	3166.58	2603.64
4.4	Furniture & Fixture	2.83	0.00	0.00	2.83	0.07	0.00	0.12	2.71	2.76
4.5	Vehicles	25.32	9.24	2.21	32.35	7.25	0.55	14.61	17.74	18.07
4.6	Office Equipment	4.57	1.90	0.00	6.47	1.76	0.00	3.66	2.81	2.81
	Total (4)	3651.74	783.53	16.51	4418.76	223.48	2.20	459.18	3959.58	3428.26
5	OTHER INTANGIBLE ASSETS									
5.1	Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.2	License ( SAP )	91.84	3.22	0.00	95.06	19.98	0.00	42.63	52.43	71.85
5.3	Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (5)	91.84	3.22	0.00	95.06	19.98	0.00	42.63	52.43	71.85
	TOTAL (4+5)	3743.58	786.75	16.51	4513.82	243.46	2.20	501.80	4012.01	3500.12





## KRITI NUTRIENTS LIMITED

(Rs.in Lakhs)

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

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>NOTE No-6 INVESTMENT</b>			
<b>Non Trade Investment in Equity Instruments</b>			
<b>6.1 Unquoted</b>			
6.1.1 The Cosmos Co-operative Bank Ltd. (Current Year Nil) 10000 Equity Shares of Rs. 10/- each ( Pre.Yr.Rs. 1.00 lacs )	-	1.00	1.00
<b>6.2 Quoted</b>			
6.2.1 I.D.B.I (2880 Equity Shares of Rs. 10/- each) (Cost Price 2.34 Lakhs) (Market Price as on 31.03.2018 Rs. 2.08 lacs ( Prv. Yr. Rs. 2.16 lacs))	2.08	2.16	2.00
6.2.2 Reliance Power Ltd (25 shares of Rs. 10/- each) (Cost Price 0.07 Lakhs) (Market value as on 31.03.2018 Rs 0.01 lacs (Prv. Yr. Rs. .01 lacs))	0.01	0.01	0.01
<b>Investment in Mutual Fund</b>			
6.3 SBI Magnum Equity Fund - Regular Plan Growth 12136.374 units (Cost Price 5.00 Lakhs) (Market price as on 31.03.2018 Rs. 11.24 lacs (Prv. Yr. Rs. 10.44 lacs))	11.24	10.44	8.83
<b>Total</b>	<b>13.33</b>	<b>13.61</b>	<b>11.84</b>
<b>NOTE NO -7 LOANS/ADVANCE/DEPOSITS</b>			
7.1 SECURITY DEPOSITS	71.11	51.58	47.83
7.2 Advance to Creditors for Capital Items	-	42.53	0.00
<b>Total</b>	<b>71.11</b>	<b>94.11</b>	<b>47.83</b>
<b>NOTE NO -8 OTHER FINANCIAL ASSETS</b>			
8.1 Fixed deposit with banks against margin money (Maturity More than 12 Months)	22.50	19.12	19.24
<b>Total</b>	<b>22.50</b>	<b>19.12</b>	<b>19.24</b>
<b>NOTE NO -9 INVENTORIES</b>			
9.1 Raw Material	1049.57	2027.59	572.86
9.2 Finished Goods	2044.72	1442.73	1494.19
9.3 Stores and Spares & others	403.77	383.61	376.65
<b>Total</b>	<b>3498.06</b>	<b>3853.93</b>	<b>2443.70</b>
<b>NOTE NO -10 TRADE RECEIVABLE</b>			
<b>Unsecured</b>			
10.1 Considered Good	1221.32	1460.98	502.35
10.2 Doubtful	16.66	16.66	16.66
<b>Total</b>	<b>1237.98</b>	<b>1477.64</b>	<b>519.01</b>
<b>NOTE NO -11 CASH AND CASH EQUIVALENTS</b>			
<b>11.1 Cash &amp; Cash Equivalents</b>			
11.1.1 Balances with Banks	95.06	0.74	0.79
11.1.2 Fixed deposit with banks against margin money (Maturity less than 3 months)	0.16	22.09	53.19
11.1.3 Cash on hand	4.13	5.17	3.58
<b>Total</b>	<b>99.35</b>	<b>28.00</b>	<b>57.56</b>
<b>NOTE-12 OTHER BANK BALANCES</b>			
<b>12.1 Other Bank Balances</b>			
12.1.1 Unpaid dividend	14.88	12.49	10.26
12.1.2 Fixed deposit with banks held as margin money against borrowing (Maturity less than 12 Months but more than 3 Months)	31.08	152.87	114.49
<b>Total</b>	<b>45.96</b>	<b>165.36</b>	<b>124.75</b>
<b>NOTE NO 13 LOANS AND ADVANCES</b>			
<b>13.1 Unsecured, Considered good</b>			
Advances recoverable in cash or kind or for value to be recieved	470.86	287.58	426.75
<b>Total</b>	<b>470.86</b>	<b>287.58</b>	<b>426.75</b>
<b>NOTE NO -14 OTHER CURRENT ASSETS</b>			
14.1 Sundry Deposits	15.32	14.89	14.39
14.2 Advance Tax/ Tax Deducted at source	681.97	282.57	212.52
14.3 CENVAT	0.43	71.51	81.18



Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
14.4 Accrued Interest/ Income	859.55	521.85	137.82
14.5 Insurance Claim Receivable	0.00	0.00	7.11
Total	1557.27	890.83	453.02
<b>NOTE NO -15 EQUITY SHARE CAPITAL</b>			
<b>15.1 AUTHORIZED</b>			
15.1.1 100000000 Equity Shares of Rs. 1/- each	1000.00	1000.00	1000.00
<b>15.2 ISSUED, SUBSCRIBED AND PAID UP</b>			
15.2.1 50103520 equity shares of Rs 1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. , Indore Bench The company has only one class of shares referred to as equity shares having a par value of Rs. 1 each holder of the equity share as referred in the records of the company as of date of the shareholder meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.			
<b>15.2.2 Reconciliation of shares</b>			
15.2.2.1 Opening Balance of 50103520 equity shares of Rs. 1/- each	501.04	501.04	501.04
15.2.2.2 Issued during the year	0.00	0.00	0.00
15.2.2.3 Closing Balance 50103520 equity shares of Rs. 1/- each	501.04	501.04	501.04
Total	501.04	501.04	501.04
<b>15.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>			
<b>15.3.1 SAKAM TRADING PRIVATE LIMITED ( HOLDING COMPANY )</b>			
No. of Shares	26099473	26099473	26099473
% of Shares	52.09%	52.09%	52.09%
Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt.Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd.and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt.Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.2012 of Kriti Nutrients Ltd.			
<b>15.3.2 CHETAK BUILDERS PRIVATE LIMITED ( ASSOCIATE COMPANY )</b>			
No. of Shares	4608158	4608158	4608158
% of Shares	9.20%	9.20%	9.20%
<b>NOTE NO -16 OTHER EQUITY</b>			
<b>16.1 RESERVES</b>			
16.1.1 General Reserve	750.00	650.00	550.00
Add: Transfer from Statement of Profit & Loss	100.00	100.00	100.00
Closing Balance	850.00	750.00	650.00
16.2 Capital Reserve (Arosen due to scheme of arrangement as approved by the Hon'ble High Court of M.P.,Indore Bench )	295.56	295.56	295.56
	295.56	295.56	295.56
16.3 Contingency Reserve(Free Reserve)			
16.3.1 Opening Balance	25.00	25.00	25.00
Add: Transfer from Statement of Profit & Loss	-	-	-
	25.00	25.00	25.00
16.4 SURPLUS			
16.4.1 Statement of Profit & Loss			
16.4.1.1 Opening Balance	2250.29	1725.55	1273.55
16.4.1.2 Add Profit & Loss during the period	1578.61	628.55	629.38
16.4.1.4 Add :Increase in Fair Value of Investment	-	-	3.43
Less:			
16.4.2 Final Dividend @ Rs.0.12 Per Share	(60.12)	0.00	(60.12)
16.4.3 Corporate Dividend Tax	(12.24)	0.00	(12.24)
16.4.4 Transferred to General Reserve	(100.00)	(100.00)	(100.00)
16.4.5 Amortisation of Leasehold land	-	-	(5.95)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
16.4.6 Prior Period Expenses	-	-	(2.50)
16.4.7 Remeasurement of defined benefits plans	(5.24)	(3.81)	0.00
Balance in Surplus	3651.30	2250.29	1725.55
16.5 Other Comprehensive Income			
Opening Balance	1.77	65.85	-
Other Comprehensive Income During the Period	26.21	(64.08)	65.85
Closing Balance	27.98	1.77	65.85
<b>Total Other Equity</b>	<b>4849.84</b>	<b>3322.62</b>	<b>2761.96</b>
<b>NOTE NO -17 FINANCIAL LIABILITIES</b>			
17.1 TERM LOAN ( Installment due within 12 months shown in Current Liabilities )			
17.1.1 SECURED			
17.1.1.1 From Banks	-	-	70.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>70.00</b>
<b>NOTE NO-18 DEFERRED TAX LIABILITY NET</b>			
18.1 Deferred Tax Liability (Net) (On account of tax effect on timing difference arising due to difference in Depreciation & Leave En-cashment)	628.96	547.02	519.91
<b>Total</b>	<b>628.96</b>	<b>547.02</b>	<b>519.91</b>
<b>NOTE NO -19 OTHER NON CURRENT LIABILITIES</b>			
UNSECURED			
19.1 Loans and advances from related parties	-	114.00	100.00
19.2 Security Deposits from Dealers	43.56	45.56	54.31
<b>Total</b>	<b>43.56</b>	<b>159.56</b>	<b>154.31</b>
<b>NOTE NO -20 SHORT TERM BORROWINGS</b>			
20.1 Loans repayable on Demand			
20.1.1 SECURED			
From banks (Secured by hypothecation of finished goods, Raw material, Stock in process, store and spares, Trade receivables and charge on fixed assets of the company and personal guarantee of Managing Director and Executive Director)	1958.63	3396.14	1055.69
20.1.2 UNSECURED			
From banks	1000.00	-	-
<b>Total</b>	<b>2958.63</b>	<b>3396.14</b>	<b>1055.69</b>
<b>NOTE NO -21 TRADE PAYABLES</b>			
21.1 Trade Payable	909.20	1695.04	1513.21
<b>Total</b>	<b>909.20</b>	<b>1695.04</b>	<b>1513.21</b>
<b>NOTE NO -22 OTHERS FINACIAL LIABILITIES</b>			
22.3 Current maturities of Long term debt	-	70.01	305.11
22.4 Unpaid dividends	14.88	12.49	10.26
<b>Total</b>	<b>14.88</b>	<b>82.50</b>	<b>315.37</b>
<b>NOTE NO -23 OTHER CURRENT LIABILITIES</b>			
23.1 Outstanding Expenses	80.22	100.12	100.25
23.2 Statutory Liabilities	40.13	43.00	57.37
23.3 Customer Credit Balance	53.15	72.58	131.55
23.4 Employees Payable	82.98	44.48	35.17
<b>Total</b>	<b>256.48</b>	<b>260.18</b>	<b>324.34</b>
<b>NOTE NO -24 PROVISIONS</b>			
24.1 Provision for Employees Benefits (Bonus)	34.12	34.71	34.09
24.2 Provision for Bad & Doutful Debts	20.85	18.97	11.65
<b>Total</b>	<b>54.97</b>	<b>53.68</b>	<b>45.74</b>
<b>NOTE NO -25 CURRENT TAX LIABILITIES</b>			
25.1 Provision of Income Tax	846.50	312.50	295.00
<b>Total</b>	<b>846.50</b>	<b>312.50</b>	<b>295.00</b>



Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
<b>NOTE NO -26 REVENUE FROM OPERATIONS</b>		
26.1 Sale of Products	45345.74	44979.17
26.2 Other operating revenues	757.86	775.87
Total	46103.60	45755.04
<b>NOTE NO -27 OTHER INCOME</b>		
27.1 Interest Income	11.06	17.70
27.2 Dividend Income	-	0.08
27.3 Profit on Sales of Fixed Assets	4.99	-
27.3 Other Non-operating Income	1.67	2.93
27.4 Net gain/ loss on foreign currency transactions	145.12	246.34
Total	162.84	267.05
<b>NOTE NO -28 EXCISE DUTY</b>		
28.1 Excise Duty	36.17	101.43
Total	36.17	101.43
<b>NOTE NO -29 EMPLOYEE BENEFITS EXPENSES</b>		
29.1 Salaries & Wages	607.43	581.18
29.1.1 Director Remuneration	75.40	29.16
29.1.2 P.F on Director Remuneration	2.88	2.40
29.2 Contribution to provident and other fund	48.82	41.63
29.3 Staff Welfare Expenses	15.62	18.91
Total	750.15	673.28
<b>NOTE NO -30 FINANCIAL COST</b>		
30.1 Interest Expenses	440.22	340.66
30.2 Other Borrowing Cost	77.22	132.18
Total	517.44	472.84
<b>NOTE NO -31 OTHER EXPENSES</b>		
<b>(I) Manufacturing Expenses</b>		
31.1 Stores and Spares Consumed	296.04	262.74
31.2 Hexane Consumed	130.80	127.09
31.3 Chemicals Consumed	306.17	295.73
31.4 Coal Consumed	598.94	560.46
31.5 Power Charges	551.98	504.51
31.6 Freight & Cartage	233.96	177.94
31.7 Repairs & Maintenance	79.34	56.29
31.8 Insurance Charges	23.55	27.51
31.9 Water Charges	19.36	18.69
31.10 Miscellaneous Manufacturing Expenses	55.00	53.94
Sub Total (I)	2295.14	2084.90
<b>(II) Administrative Expenses</b>		
31.11 Stationery & Printing	8.37	3.36
31.12 Rent, Rates and Taxes	39.59	77.23
31.13 Postage, Telegram and Telephones	12.14	12.81
31.14 Auditor's Fees	1.75	2.01
31.15 Conveyance Expenses	21.00	16.20
31.16 Legal & Professional Charges	35.44	46.81
31.17 Director's Meeting Fee	3.35	3.32
31.18 Miscellaneous Expenses	39.71	59.73
31.19 Corporate Social Responsibility	0.19	25.00
Sub Total (II)	161.54	246.48
<b>(III) Selling and Distribution Expenses</b>		
31.20 Advertisement & Publicity	5.22	30.58
31.21 Sales Promotion Expenses	82.49	97.37
31.22 Brokerage & Commission	9.59	10.85
31.23 Freight Outward	157.91	115.06
31.24 Sales Tax ,Octroi & GST Expenses	0.55	12.28
31.25 Export Expenses	1008.02	1008.77
31.26 Expected Credit Loss	1.87	7.33
31.27 Travelling Expenses	50.76	61.93
Sub Total (III)	1316.41	1344.17
<b>TOTAL (I+II+III)</b>	<b>3773.09</b>	<b>3675.55</b>



32. 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.

33. Contingent liabilities

33.1 Estimated amount of contracts remaining to be executed on Capital Account Rs. 0.00 Lakhs net of advance given (Previous Year Rs. 57.08 Lakhs)

33.2 Bank has given guarantee on behalf of the Company to various parties to the extent of Rs. 134.69 Lakhs (Previous Year Rs. 134.39 Lakhs.)

33.3 Claims not acknowledge by the company on Commercial tax matters Rs 334.66 Lakhs (Total demand Rs. 462.30 Lakhs less demand deposited Rs. 127.64 Lakhs) (Previous Year 339.81 Lakhs).

34. Remuneration Paid/Payable to Managing Director / Executive Director (Rs. In Lakhs)

Paid / Payable	2017-18	2016-17
Remuneration	32.88	28.56
Commission	45.40	3.00

35. Unpaid overdue amount due on March 31, 2018 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.

36. The amount of Foreign Exchange gain/ (loss) included in the statement of profit & loss account is Rs.145.12 Lakhs (Previous Year gain/ (loss) Rs. 246.34 Lakhs).

37. Corporate Social Responsibility

(Rs in Lakhs)

Particulars	2017-18	2016-17
Amount required to be spent	18.31	15.63
Amount spent during the year	0.19	25.00

38. The disclosure required as per Indian Accounting Standard 19 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 ( The Act ) read with rule 7 of the Companies ( Accounts ) Rules, 2014., and based on the report generated by Life Insurance Corporation of India (LIC) is as under

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

(b) Table showing changes in present value of obligations as on	31/03/2018 (Rs in Lakhs)	31/03/2017 (Rs in Lakhs)
Present value of obligations as at beginning of the year	69.49	56.51
Interest Cost	5.56	4.52
Current Service Cost	8.03	6.77
Benefit Paid	(3.70)	(2.12)
Actuarial (gain)/loss on obligations	5.24	3.81
Present value of obligations as at end of the year	84.62	69.49
(c) Table showing changes in the fair value of plan assets as on	31/03/2018	31/03/2017
Fair value of the plan assets at the beginning of the year	76.55	66.13
Expected return on plan assets	6.17	5.45
Contribution	16.22	7.08
Benefit Paid	(3.70)	(2.12)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	95.23	76.55
(d) Table showing fair value of plan assets as on	31/03/2018	31/03/2017
Fair value of plan assets at beginning of the year	76.55	66.13
Actual return on plan assets	6.17	5.45



	Contribution	16.22	7.08
	Benefit Paid	(3.70)	(2.12)
	Fair value of the plan assets at the end of the year	95.22	76.55
	Funded status	10.61	7.65
	Excess of actual over estimated return on plan assets (Actual Rate of return= estimated rate of return as ARD falls on 31/03/2018)	NIL	NIL
(e)	Actuarial Gain/Loss recognized as on	31/03/2018	31/03/2017
	Actuarial (Gain)/Loss for the year-obligation	(5.24)	(3.81)
	Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
	Actuarial (Gain)/Loss for the year	5.24	3.81
	Actuarial (Gain)/Loss recognized for the year	5.24	3.81
(f)	Expenses recognized during the year	31/03/2018	31/03/2017
	In statement of profit and loss		
	Current Service Cost	8.03	6.77
	Interest cost	5.56	4.52
	Expected return on Plan Asset	(6.17)	(5.45)
	Expenses recognized in the statement of profit & loss	7.42	5.84
	In Other Comprehensive Income		
	Actuarial (Gain)/Loss on Obligation for the period	5.24	3.81
	Net (Income)/Expense for the period recognised in OCI	5.24	3.81
	Assumption		
	Discount rate	8%	8%
	Salary Escalation	7%	7%

**39. DEFERRED TAX CALCULATIONS**

(Rs. In Lakhs)

DEFERRED TAX LIABILITY/ (ASSETS)	Current Year	Previous Year
WDV of Fixed Assets as per Income Tax Act	2194.00	1849.82
WDV of Fixed Assets as per Companies Act	4012.01	3507.03
Deferred Asset/(Liability) Timing Difference of Depreciation (a)	(1818.00)	(1657.20)
Deferred Asset/(Liability) Timing Difference of Provision for Bonus and Leave Encashment (b)	0.61	2.72
Total Deferred Asset/(Liability) on Timing Difference (a+b)	(1817.39)	(1654.48)
Closing Balance of Deferred Tax Asset/(Liability)	(628.97)	(547.02)
Less: Opening Balance of Deferred Tax Asset/ (Liability)	(547.02)	(519.91)
Deferred Tax Asset/(Liability) for the year	(81.94)	(27.11)

**40. Operating Leases**

- (a) the total of future minimum lease payments under non- cancellable operating leases for each of the following periods:
- (i) not later than one year; Rs.8.93 Lakhs
  - (ii) later than one year and not later than five years; NIL
  - (iii) later than five years. NIL
- (b) the total of future minimum sublease payments expected to be received under non- cancellable subleases at the end of the reporting period. NIL
- (c) lease and sublease payments recognised as an expense in the period, period with separate amounts for minimum lease payments, contingent rents, and sublease payments. Rs. 7.77 Lakhs
- (d) The company pays rent for office premises at Indore. The payments for office premises at Indore are to related parties. None of the lease agreements have any restrictions concerning dividend, additional debt and further issues.



41. As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Financial Statement (Rs. in Lakhs)

Nature of Transaction	2017-18	2016-17
(i) Revenue from External Customers		
With in India	31990.19	31419.60
Outside India	14113.41	14335.44
Total	46103.60	45755.04
(ii) Non Current Assets		
With in India	4154.58	3626.95
Outside India	-	-
Total	4154.58	3626.95

(iii) There are no transaction with single customer which amounts to 10% or more of the Company's revenue .

Note :- The Company has only one Business Segment to be reported namely Oil Seed extraction and, refining as per Ind AS 108- Operating Segments.

#### 42. EARNING PER SHARE

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

Sr No.	Nature of Transaction	2017-18	2016-17
1.	Number of Shares	50103520	50103520
2.	Profit contribution for Basic EPS (Rs in Lakhs)	1578.61	628.55
3.	Basic Earning Per Share	3.15	1.25
4.	Diluted Earning Per Share	3.15	1.25
5.	Nominal Value Per Share	1.00	1.00

43. In accordance with the Ind AS-24 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 ( The Act ) read with rule 7 of the Companies ( Accounts ) Rules, 2014. The names of the related parties and the relevant disclosure is as under:-

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

i. Key Management Personnel:

Shri Shiv Singh Mehta, Managing Director

Smt. Purnima Mehta, Director

Shri Saurabh Singh Mehta, Executive Director

Shri S.C. Jajoo, Chief Financial Officer

Shri Vijay Khandelwal, Company Secretary ( Appointed w. e. f. 27.06.2016)

ii. Relatives of Key Management Personnel

Smt. Devki Hirawat (Daughter of Managing Director)

Smt. Nidhi Mehta (Wife of Executive Director)

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

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

2) Kriti Industries (I) Ltd. (Fellow Subsidiary.)

3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary.)

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

5) Sakam Charitable Trust, Indore



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

(Rs in Lakhs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1	Remuneration	NIL (NIL)	107.81 (58.02)	NIL (NIL)	NIL (NIL)
2	Sales of export scheme incentive License	NIL (NIL)	NIL (NIL)	NIL (NIL)	513.55 (180.13)
3	Purchase of export scheme incentive License	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	20.96 (1.37)
5	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	56.67 (99.46)
6	Purchase of Machinery	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	NIL (NIL)	30.00 (114.00)	NIL (NIL)	NIL (NIL)
8	Interest Given	NIL (NIL)	8.06 (6.20)	NIL (NIL)	NIL (6.73)
9	Interest Taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10	Rent	NIL (NIL)	NIL (NIL)	NIL (NIL)	7.77 (7.77)
11	CSR Expenses	NIL (NIL)	NIL (NIL)	NIL (NIL)	0.19 (25.00)
12	Travelling Expenses	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (0.25)

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

44. Auditor's Remuneration

(Rs in Lakhs)

Sr. No.	Auditor's Remuneration	31.03.2018	31.03.2017
a.	Statutory Audit Fees (Net of Taxes)	1.50	1.50
b.	Tax Audit Fees (Net of Taxes)	0.25	0.25
c.	Certification Charges & Other matters. (Net of Taxes)	0.10	0.69
	Total	1.85	2.44

45. A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.





During the year Company paid off all the Term Loan in and company is now debt free. Accordingly the Gearing Ratio of 2017-18 is only for part of the year.

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Interest Bearing Loans and Borrowings	-	-	70.00
Current maturities of Long Term debts	-	70.01	305.11
Gross Debt	-	70.01	375.11
Less: Cash and Cash Equivalent	99.35	28.00	57.56
Net Debt(A)	-	42.01	317.55
Total Equity (as per Balance Sheet) (B)	5350.88	3823.66	3263.00
Net Gearing (A/B)	-	0.01	0.10

#### B. Financial Risk Management

The Company's principal financial liabilities comprise Working Capital borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

##### i. Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from change of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include borrowings.

Company's Working Capital interest rates are linked to 1 year MCLR rate, reset annually. Short Term Borrowings as and when taken are governed by prevailing rates at the time of disbursement.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2018 would have been decreased/ increased by Rs. 44.20 Lakhs.

The Company is affected by the price volatility of Soya seed and oil prices. The export receivables are subject to Forex rate volatility. Company hedge foreign exchange receivables to balance financial risk.

##### ii. Credit Risk

Company's sales of Soya edible oil in domestic market through company's dealers network on receipt before dispatch basis.

Exports of Soya products are partly against Letter of Credit basis or Cash Against Document (CAD) basis & to reputed overseas customers on 90 days basis. Hence the receivable risk is minimum.

##### iii. Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting next month cash inflow and outflow and all liquidity requirements are planned.

Trade and other payables are plugged as per credit terms and paid accordingly.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts

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

As per Our Report of Even Date Attached  
For R.S. BANSAL & Company  
Chartered Accountants  
F.R.N. 000939C

For and on Behalf of the Board of Directors

Vijay Bansal  
(Partner)  
M. No. 075344

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

Purnima Mehta  
(Director)  
(DIN:00023632)

S.C. Jajoo  
(Chief Financial Officer)

Vijay Khandelwal  
(Company Secretary)

Place: Indore  
Date: 16<sup>th</sup> May 2018





## KRITI NUTRIENTS LIMITED

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

### ECS MANDATE FORM

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

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

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

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

Date

.

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

#### **Certificate of the Investor's bank**

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

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





PROXY FORM  
FORM MGT- 11

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

Name : KRITINUTRIENTSLIMITED  
CIN : L24132MP1996PLC011245  
Regd office : MEHTA CHAMBER, 34 SIYAGANJ, INDORE-452007 (M.P)

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

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

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

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at 22nd Annual General Meeting of the Company, to be held on the Tuesday, 31st July, 2018 At the Corporate Support Center, 4th Floor Chetak Chamber, 14 RNT Marg, Indore (M.P.) at 4:00P.M and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

1.	Consider and adopt Audited Statement of accounts, Reports of the Board of Directors and Auditor.
2.	Declaration of Dividend on Equity shares for the financial year ended 31st March, 2018.
3.	Re-appointment of Mr. Saurabh Singh Mehta ( DIN: 00023591)
4.	Ratification of remuneration of Cost Auditor.

Signed this..... day of..... 2018

Signature of shareholder

Signature of Proxy holder(s)

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

ATTENDANCE SLIP

R.F. No. .... ANNUAL GENERAL MEETING ON .....

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

(Shareholders' name in block letters)

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

I/We hereby record my/our presence at the 22nd Annual General Meeting of the company at the registered office of the company 31st July, 2018.

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

(Shareholders/proxy's Signature)

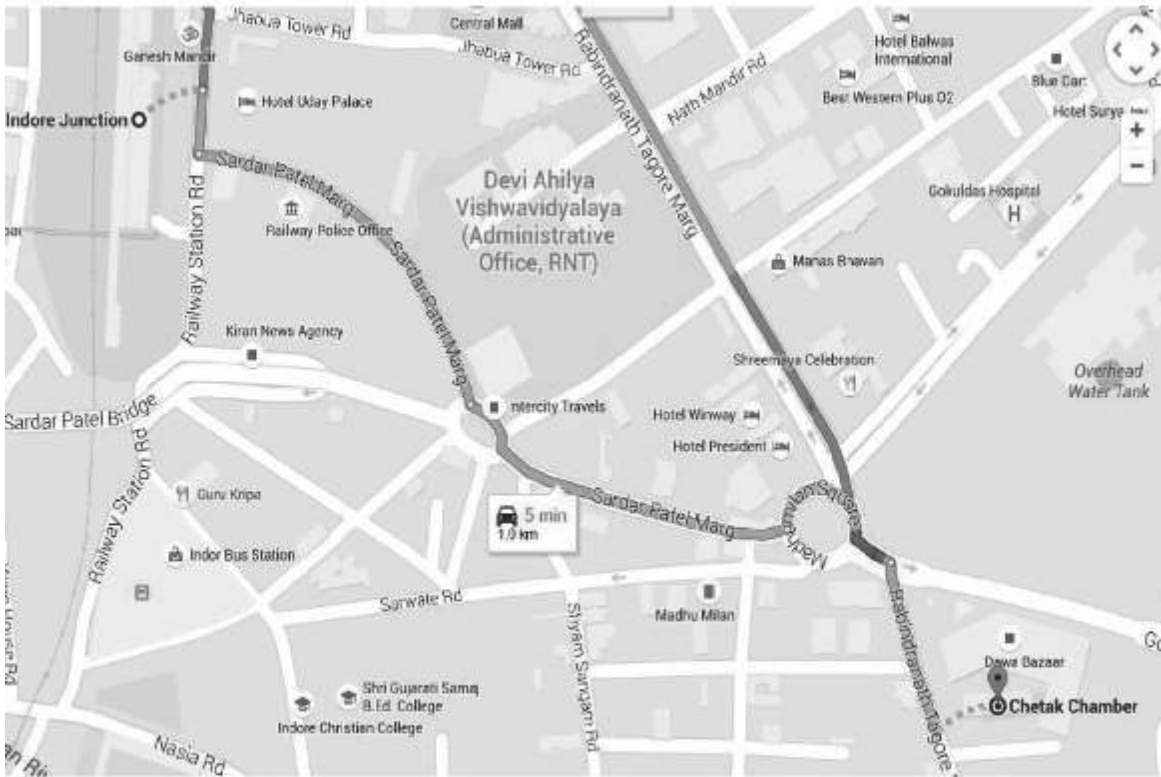
Note:

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



## ROUTE MAP TO THE AGM VENUE

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



LANDMARK: NEXT TO DAWA BAZAR

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

**KRITI NUTRIENTS LTD.**

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