



# DO RIGHT

Kriti Nutrients Limited  
Annual Report 2021-22







#### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’ believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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# DO RIGHT

There is a premium on nutritional diets today.

A range of lifestyle diseases has made it imperative for humankind to enhance fitness.

A critical component of this requirement is the need to eat right.

A large component of the need to eat right comprises the intake of protein.

The curation of food products comprising protein warrants a need for related companies to plan right and implement right.

At Kriti Nutrients, we have invested in these capabilities through an overarching commitment to 'Do Right'.

We live a quality mindset. We invest in research. We enhance governance. We deepen sustainability.

With the objective to enhance value for all our stakeholders and make the world a healthier place.



## **‘Do Right’.**

**This is the foundation of our existence.**

**It indicates how we will think, plan and work.**

**Today and tomorrow.**

**Across our entire organisation.**

**In the pursuit of a single goal.**

**To enrich diets and make the world a healthier place.**

### **VISION**

An energetic organisation on a long haul, charting a distinct course for customer admiration, led by a disciplined team of vibrant people.



## MISSION

- Cherishing mutually satisfying relationships
- Encouraging innovation through creativity
- Constant technological upgradations to maintain superiority
- Inculcating team spirit amongst the workforce and ensuring their development through professional improvement in their capabilities and welfare for them and their families
- Contributing to the social and economic upliftment of the underprivileged in the society and in making the nation stronger
- Honesty in approach, transparency in work and dealings
- Adoption of green technology to conserve environment and reduction of our carbon footprint

## VALUES

- Encouraging creativity and valuing new thoughts.
- Lending a helping hand to society's developmental needs.
- Being honest and forthright in our approach.
- Being in harmony with the natural order.
- Customer focus with world class quality and cost-effective products

## PERSONALITY





Kriti Nutrients is an attractive proxy of the protein revolution.

The Company crushes soyabean seed at one end and manufactures edible oil and protein feed at the other.

Kriti Nutrients has enhanced respect as a research-driven organisation that is evolving into a foods company.







## The Kriti Group

The Kriti Group comprises two companies called Kriti Industries (India) Limited and Kriti Nutrients Limited.

## Businesses

Kriti Nutrients is engaged in soyabean processing, producing branded refined soyabean oil and manufacturing value-added protein-based products that address specialised applications in the food, pharmaceutical, dairy and aqua & poultry sectors.

## Location

The Company's soyabean processing plant is located in Dewas, Madhya Pradesh (India). The state-of-the-art manufacturing unit comprises exceptional team members, advance technological equipment and modern infrastructure. The manufacturing unit comprises plants for solvent extraction, vegetable oil refining, lecithin manufacturing and effluent treatment. It also comprises all necessary utilities coupled with a complementary packaging moulding facility.

## Portfolio

The Company's product portfolio comprises refined soyabean oil and value-added soyabean derivatives.

## Brand

The Company's cooking media is marketed under the 'Kriti' brand. This brand is respected for consistency, values, dependability and a superior cooking outcome. The brand accounted for a large portion of the Company's revenues in 2021-22.

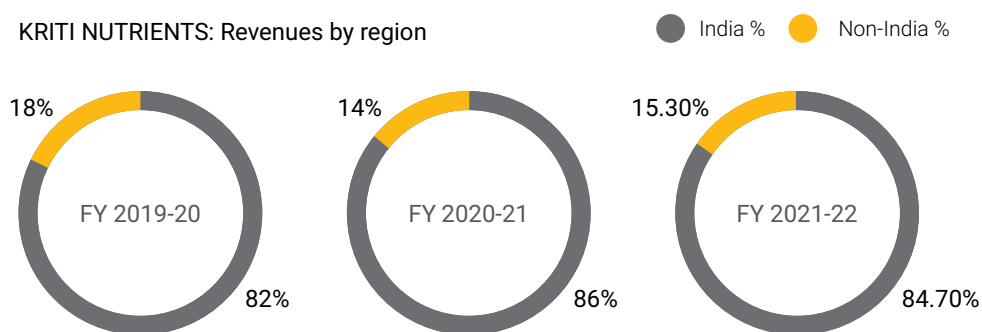
## Financial performance

In FY 2021-22, the Company generated revenues of ₹756.23 Cr and profit after tax of ₹12.31 Cr. Cash profit was ₹16.04 Cr and EBITDA margin 3 per cent.

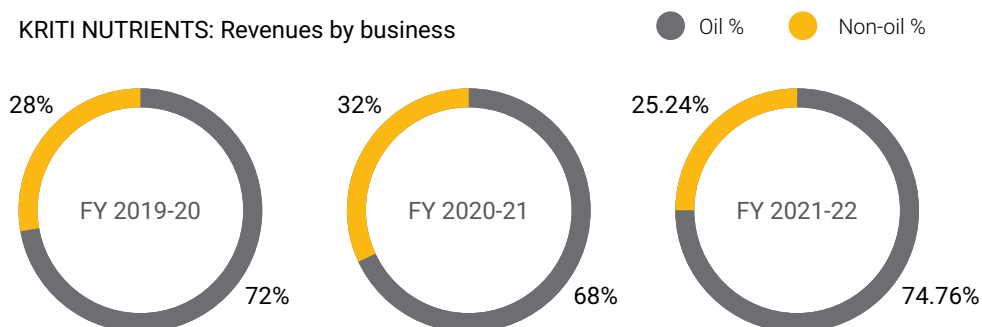
## Listing

The Company is listed on the Bombay Stock Exchange. Its market capitalisation was ₹298.37 Cr as on 31<sup>st</sup> March, 2022. The promoters accounted for a 66.37 per cent stake in the Company's equity share capital.

KRITI NUTRIENTS: Revenues by region



KRITI NUTRIENTS: Revenues by business





# 'Do Right' and Kriti Nutrients Limited



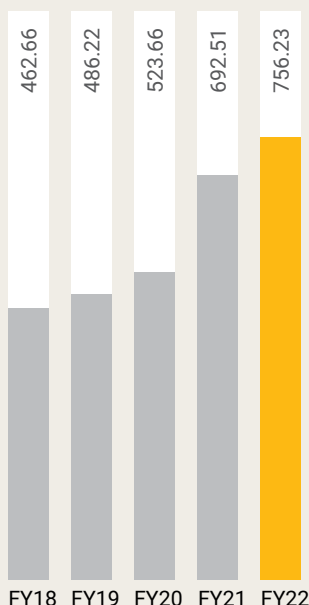






# ‘Do Right’ How this focus has translated into sustained growth

Revenues (₹ Cr)



## Definition

Growth in sales net of taxes

## Why this is measured

It is an index that provides a basis against which the Company's success can be compared with sectoral peers

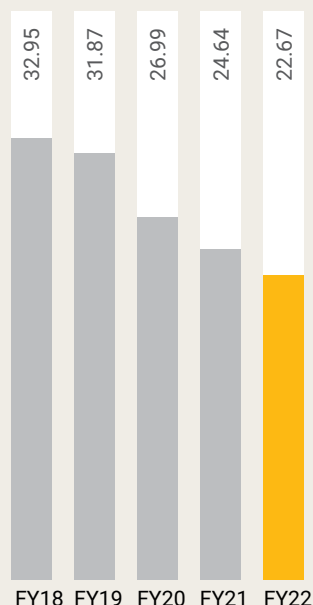
## What this means

Aggregate sales increased 9.10 per cent to 752.88 Cr in FY 2021-22 due to increased production and offtake. This was the fourth successive year of revenue growth, indicating an established traction.

## Value impact

Improved product off-take enhanced the Company's room to cover fixed costs.

EBITDA (₹ Cr)



## Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

## Why this is measured

It is a measure that showcases the Company's ability to generate a surplus after operating costs, a base for comparison with other companies.

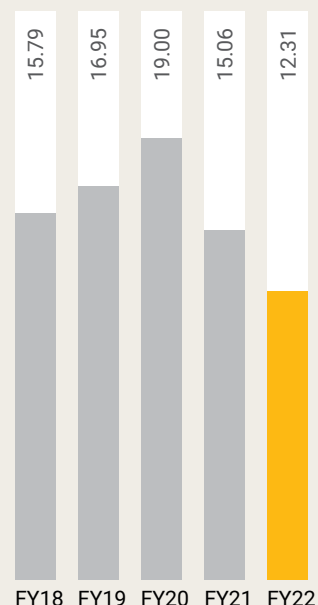
## What this means

Helps create a robust surplus generating engine that enhances reinvestment.

## Value impact

The Company reported a marginal decline in EBITDA in FY 2021-22 due to resource cost volatility.

Net profit (₹ Cr)



## Definition

Profit earned during the year after deducting all expenses and provisions

## Why this is measured

It highlights the strength of the business model in enhancing value for shareholders.

## What this means

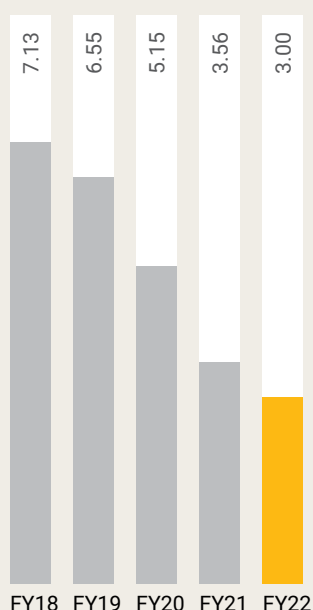
This ensures that adequate cash is available for reinvestment, strengthening sustainability.

## Value impact

The Company reported a decline in net profit in FY 2021-22 following increased resource volatility.



### EBITDA margin (%)



#### Definition

EBITDA margin is a profitability measure to ascertain a company's operating efficiency

#### Why this is measured

The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

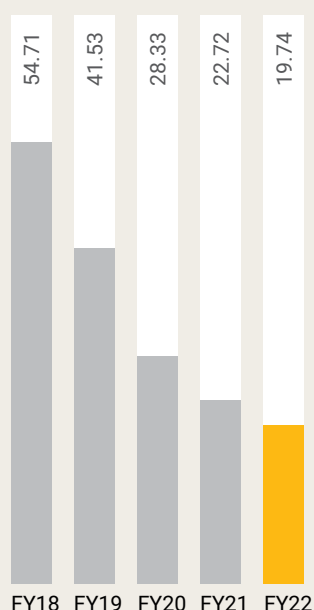
#### What this means

This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus.

#### Value impact

The Company reported a 56 bps decrease in EBITDA margin on account of resource volatility.

### ROCE (%)



#### Definition

This is a financial measure of efficiency with which capital is employed in the Company's business - EBIT / (Equity + non-current liabilities)

#### Why this is measured

ROCE is an insightful metric to compare profitability across companies based on their respective capital efficiency.

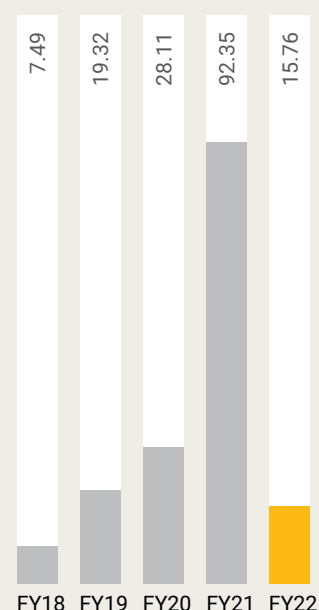
#### What this means

Enhanced ROCE can potentially drive valuations and market perception.

#### Value impact

The Company reported a 298 bps decline in RoCE in FY 2021-22 due to increased resource costs.

### Interest cover (x)



#### Definition

This is derived through the division of EBITDA by interest outflow

#### Why this is measured

Interest cover indicates the profit buffer available within the Company to service interest – the higher the better.

#### What this means

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important measures in assuring shareholder returns.

#### Value impact

The Company strengthened its interest cover from 28.11 in FY 2019-20 to 92.35 in FY 2020-21 but declined to 15.76 in FY 2021-22, which was still attractive.

# The financial health of our business

FY 2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Revenues (₹ Cr)	106.83	155.16	239.91	200.33

FY 2021-22	Quarter one	Quarter two	Quarter three	Quarter four
EBITDA (₹ Cr)	3.76	3.48	8.56	6.86

FY 2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Net profit (₹ Cr)	1.95	1.80	5.05	3.50

FY 2021-22	Quarter one	Quarter two	Quarter three	Quarter four
EBITDA margin (%)	2.34%	2.24%	3.57%	3.42%



#### One

The Company's edible oils business reported an attractive recovery from the second half of the last financial year

#### Three

The Company continues to invest in specialised research to broaden its product portfolio

# 4

principal  
messages we  
wish to convey  
in this annual  
report

#### Two

The Company launched two protein products in FY 2021-22, the first such launch in four years

#### Four

The Company is engaged in the transition from a branded edible oils company to a foods organisation







## The beginning of a new journey

In the early years of its existence, Kriti Nutrients manufactured de-oiled cakes from the crushing of soyabean seed.

The Company recognised that this business model was limiting and ventured to the manufacture of soyabean edible oil. The extension into this product line was prompted for reasons of value-addition and the fact that most consumers were moving to packaged products.

In some years, the Company reached a point when its Kriti brand became a generic name in Madhya Pradesh. Anyone seeking to buy soyabean oil now simply says, 'Kriti deejyega'.


The time has come for the Company to make its third decisive extension: to foods.

The Company intends to build on its brand and distribution network. By venturing into synergic food niches, the Company intends to leverage its extensive soya understanding on the one hand and enhance business sustainability on the other.

We believe that the evolution of the Company from edible oils to a foods company will lay the platform for the Company to emerge as a fast-moving consumer goods company.







## Vigorous improvement starting from the second half

At the end of the first half of the last financial year, Kriti Nutrients found itself in a challenging position.

The fallout of the second wave of the pandemic had affected demand, there was an inflationary scenario in resource costs that made it imperative to absorb some costs and pass on the rest. The increased cost of the end product encountered consumer resistance.

In most cases, this scenario would have generated the standard response: 'Let us wait for the markets to improve.'

At Kriti Nutrients, we looked at this reality through a new pair of eyes. Where most saw bottlenecks, we perceived opportunities.

The result is that when we entered the second half of the year under review, we resolved to reinvent our way out of the prevailing reality.

We questioned every paradigm. We countered every convention. We challenged every rule.

The result is that the second half of the last financial year generated 58.21 per cent of the Company's FY 2021-22 revenues, 68.04 per cent of the year's EBITDA and 69.48 per cent of the year's PAT.

The vigour of the improvement indicates that it is sustainable, which could lead to an improved FY 2022-23 for the Company.

*Proactive responsiveness. Improved performance.*







## More sales, better efficiency

For the last number of years, the sales of edible oils followed a predictable trend.

A majority of the revenues reported by the Company in any month would typically transpire in the last week.

This trend had transpired for so many years that it was almost accepted as a norm.

Until someone at Kriti Nutrients began to question it.

The result of this rethinking is that the Company worked with trade partners to explain the benefits of ordering early. The Company also widened to new geographies where early and mid-month sales dominated.

The result is that by the end of the last financial year, the Company had decisively shifted the needle. In March 2022, for instance, 57.71 per cent of the Company's monthly revenues were generated in the first two weeks.

The evening out of the sales curve resulted in better on time-in full, enhanced ability to address demand upturns and better working capital management.

*More sales, better efficiency.*





## Wider footprint, stronger de-risking



At Kriti Nutrients, we have built a robust 'Kriti' brand in the last few decades.

The result is that Kriti's soyabean oil is respected for reliability, superior value and a consumer's peace of mind. Translating into market leadership within its strongest market (Madhya Pradesh).

However, something curious happened during the course of this time. The whisper of the strength of the brand extended beyond its geographic reach.

This created a platform for the Company to extend into contiguous markets without incurring a large promotional spend.

This is precisely what the Company began to exercise during the last financial year. The Company began to step out of its comfort zone. It began to deepen its presence within Madhya Pradesh. It began to seed its brand in contiguous states.

The proportion of revenues derived from these initiatives may have been nascent in FY 2021-22 but a new journey has begun.

This journey will graduate Kriti Nutrients into a multi-state brand across the foreseeable future, strengthening capacity utilisation, de-risking and profitability.





## Chairman and Managing Director's overview

### OVERVIEW

# Our business model was validated in FY 2021-22

In FY 2021-22, Kriti Nutrients reported a 9.20 per cent increase in revenues but a 18.28 per cent decline in profit after tax.

The Company's performance during the year under review represented the sharpest decline in profits in its existence. This decline was precipitated by an unprecedented increase in soyabean prices within a compressed time frame, which made it difficult to pass the cost increase to consumers.

What is creditable is that despite the unexpected aberration, the Company reported a positive bottomline, addressed the needs of all stakeholders and reinvested in business growth. The capacity to address these requirements represents a validation of the Company's business model.

Some years ago, the Company found itself at the crossroads of its existence when it was a commodity-driven company, focusing largely on crushing soyabeans and marketing the end product. This space was influenced by price swings, margins were narrow and speculative income often exceeded operating profits. This speculative income warranted the taking of speculative positions on how the price of the raw material and end product would behave, a deviation from the core purpose of the Company.

The management of Kriti Nutrients selected to chart out a different DNA for itself. The Company increased its focus on marketing its popular edible oils brand (Kriti); it invested in

value-added protein products whose profitability would not be as critically dependent on short-term soyabean costs. Besides the Company invested in long-term research to develop differentiated products through disruptive processes.

I am pleased to communicate that this long-term direction was validated during the year under review. At a time when trading-based companies faced extensive losses after having been caught on the wrong foot following the sharply unexpected movement in prices during the year under review, the overall performance of Kriti Nutrients – which definitely affected margins – continue to remain viable. This sustainability was derived from a blend of revenues, a growing proportion of which represented value-added protein products.

At Kriti Nutrients, we believe that we are headed in the right direction. There is a growing traction for protein products in everyday lives, beyond what can be consumed in the natural form. A deeper study of nutritional sciences has enhanced an emphasis on this dietary input, resulting in the downstream development of niche protein-based products that are being marketed for everyday consumption.

Besides, the Indian of today is more concerned about food hygiene and wellness. Consumers are willing to spend more time and money for enhanced wellness. Thrift has been

replaced by spending; sacrifice has been replaced by a feeling that people deserve better. Besides, the Indian is earning more, has more reasons to spend and is being influenced by an evolving environment (wider choice and lifestyle changes).

The 'wellness' word, which one would possibly have dismissed a few decades ago, is being redefined as 'health, wealth, wellness and happiness.' This indicates that wellness is not side-stream; it is increasingly relevant.

In line with this strategic direction, the Company has made forward-looking investments in people, plants and processes with the objective to deliver successful products. We are addressing product niches that are relatively under-penetrated; we believe that this selectivity will protect value-added margins, strengthening our return on employed capital.

Besides, by widening the portfolio, we are progressively derisking the Company from a downturn in some end application segments. We believe that by entering new value-added spaces and by broad-basing our portfolio, we are creating a platform for sustainable and profitable growth.

We believe that Kriti Nutrients is at the cusp of a new growth journey starting here.

**Shiv Singh Mehta**, *Chairman*



## Our FY 2021-22 performance indicates a latent robustness that should translate into enhanced shareholder value

**Saurabh Singh Mehta**, *Executive Director analyses the Company's performance in FY 2021-22*

**Q** How would you describe the performance of the Company during the year under review?

A: The year under review was the best of years and the worst of years, depending on one's perspective. The Company reported a 9.20 per cent growth in revenues but a 18.28 per cent decline in profit after tax. The decline in PAT was the sharpest in percentage terms for the Company in the last five years. To this extent, the Company's performance was a disappointment. However, there is another side to the story that is favourable. Despite an unprecedented change in the external environment, the Company reported a profitable bottomline and remained debt-free.





HE

**OVERARCHING MESSAGE WOULD BE THIS: DURING A CHALLENGING YEAR, THE COMPANY PROTECTED ITS BALANCE SHEET AND CONTINUED TO INVEST IN NEW PRODUCT DEVELOPMENT.**

**Q What then is the take home from the Company's performance?**

A: The take home from the Company's performance is the robustness of the business model. It would not have been unexpected for the Company's financials to be severely impaired by the impact of this unprecedented volatility in resource costs. This volatility could not be passed on to consumers for a part of the financial year under review, affecting the Company's financials. If the Company continued to report a positive bottomline, it was largely due to a culture of austerity, existing buffers in the form of the non-commodity business (packaged and branded edible oil as well as protein feed products) and no debt on the Balance Sheet. In some ways, the Company's performance validated a conscious movement towards portfolio broadbasing and value-addition.

**Q Can you describe the extent of the resource cost volatility?**

A: The cost of soyabean, our principal raw material, climbed from ₹4000 per quintal to ₹11,000 per quintal within the space of eight months. As a long-term player with sales commitments already made to buyers, the Company was faced with no alternative but to buy raw materials at the increased levels without a corresponding increase in realisations. The result is that the Company was faced with a sharp decline in its margins during the year, which moderated overall EBITDA margin by 56 bps during the year under review. Besides, the sharp increase in raw material costs resulted in a larger working capital outlay, affecting cash flows.

**Q How did raw material prices move through the rest of the year?**

A: After the peak had been reached, raw material prices declined to ₹6000 a quintal, which gain made

procurement challenging an account of the ongoing volatility. The Company had no option but to sustain purchases to address its longstanding customer profile. The Company suffered 13.20 per cent decline in cash profit. The operations stabilised in the second half of the financial year when raw material prices proved more stable and the Company sustained operations around the sales of edible oil and value-added protein products.

**Q Where does the Company go from here?**

A: The worst is over as raw material prices have declined to more reasonable levels and operations have stabilised. This was reflected in the improved performance of the Company during the third and fourth quarters, when revenues and profits increased. The Company finished the year under review with optimism around its future. During the last quarter of the year under review, the Company launched two protein products, the first such launch in about four years. Besides the Company neared the completion of its longstanding protein product under development for the last few years. We believe that the launch of this product could prove to be a watershed in the existence of the Company when launched in FY 2022-23.

**Q If there is one overarching message that the Company would like to leave with its shareholders, what would it be?**

A: The overarching message would be this: during a challenging year, the Company protected its Balance Sheet and continued to invest in new product development. We believe that this represents a latent business robustness and should translate into enhanced shareholder across the foreseeable future.



# Kriti Nutrients: Enhancing shareholder value

## Capital appreciation

77.41

₹ cr, Market  
capitalisation, 31<sup>st</sup>  
March, 2016

198.41

₹ cr, Market  
capitalisation, 31<sup>st</sup>  
March, 2021

298.37

₹ cr, Market  
capitalisation, 31<sup>st</sup>  
March, 2022

## Overview

- Kriti Nutrients leverages scale to build business sustainability; the Company is a major soyabean processing company in Madhya Pradesh
- The Company prioritises business sustainability through processes and systems, reflected in its profitable track record across 28 years of various market cycles
- The Company is focused on predictable processes and stable outcomes; it does not take speculative positions on oils and soyabean
- The Company prioritises the manufacture and marketing of value-added products

## Drivers of shareholder value at our company

Located proximate to  
resource

Synergic portfolio

Extended beyond commodity  
to oils and foods

Reinvestment of accruals

Strong ESG focus





## The initiatives we implemented to enhance value

Located proximate to resource	Synergic portfolio	Beyond commodity	Value-addition	Reinvestment of accruals	Debt-light	ESG focus
<p><b>Resource proximity:</b> The Company's location in Dewas is in the heart of the soyabean bowl of India. The Company procured 50 per cent of its resource requirements from within 200 kms, strengthening logistical competitiveness.</p>	<p><b>Synergic portfolio:</b> The Company is graduating from a longstanding presence in the edible oils business (resource) to foods (end product), strengthening value-addition and brand</p>	<p><b>Beyond commodity:</b> The Company intends to keep investing in businesses beyond generic soyabean processing</p>	<p><b>Value-addition:</b> The Company has drawn out a conscious roadmap to enhance value to crushed soyabean, enhancing margins and sustainability</p>	<p><b>Re-investment of accruals:</b> The Company reinvested ₹87.87 cr in its business in the 10 years ending FY 2021-22. The Company generated accruals from the edible oils business to invest in the challenging foods business, strengthening sustainability</p>	<p><b>Debt-light:</b> The Company pared debt to an attractive debt-equity ratio of 0.31 as on 31<sup>st</sup> March, 2022; total long-term debt was nil on the Company's books as on that date</p>	<p><b>ESG focus:</b> The Company strengthened its environment-social-governance framework, strengthening respect, stability and sustainability</p>







# How we invested in our business

## Processing capacity

0.33

Processing capacity, MTPA, FY 2015-16

0.18

Processing capacity, MTPA, FY 2020-21

0.18

Processing capacity, MTPA, FY 2021-22

## Capital employed

40.12

Capital employed, ₹ cr, FY 2015-16

108.45

Capital employed, ₹ cr, FY 2020-21

119.79

Capital employed, ₹ cr, FY 2021-22

# How we generated superior financial hygiene

## Edible oils revenue per cent

75

% of overall revenues from edible oils, FY 2015-16

68

% of overall revenues from edible oils, FY 2020-21

74.76

% of overall revenues from edible oils, FY 2021-22

## Liquidity

0.02

Debt-equity ratio, FY 2015-16

0.00

Debt-equity ratio, FY 2020-21

0.31

Debt-equity ratio, FY 2021-22

## Earnings

16.03

EBITDA, ₹ cr, FY 2015-16

24.64

EBITDA, ₹ cr, FY 2020-21

22.67

EBITDA, ₹ cr, FY 2021-22

## Margins

4.46

%, EBITDA margin, FY 2015-16

3.56

%, EBITDA margin, FY 2020-21

3

%, EBITDA margin, FY 2020-22







# Our value-creation dashboard

## Key enablers

- Invested in a culture of outperformance
- Launched customised products that took the business of our customers ahead.
- Sustained our edible oil quality around demanding EU standards.

- Invested in sizable soyabean processing infrastructure, adequate to address long-term needs
- Generated superior economies of scale
- Concentrated on a high operating efficiency
- Focused on the premium end of the product pyramid.

## Material issues / addressed

Superior technologies leading to product differentiation and consumers becoming more demanding

Investors seeking business sustainability over one-off profitability through any-market cost competitiveness

## Capitals impacted

Manufactured, Intellectual, Financial

Financial, Intellectual, Natural, Social and Relationship

<ul style="list-style-type: none"> <li>• Sustained a standard of high product quality.</li> <li>• Customised our B2B product around the customer's downstream needs.</li> <li>• Strengthened our position as integral to the customer's B2B business.</li> </ul>	<ul style="list-style-type: none"> <li>• Employed 236 people (full time) by the close of the year under review.</li> <li>• People engagement marked by motivation, delegation, responsibility and accountability.</li> <li>• Inspiring workplace marked by training, professionalism, informality, transparency, reward and outperformance</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible corporate citizen.</li> <li>• Engaged in community development</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced value through the manufacture of quality premium products.</li> <li>• Grew business around a relatively small Balance Sheet.</li> <li>• Business marked by low gearing.</li> <li>• Reinvested accruals, creating a sustainable growth engine</li> </ul>
Broadbasing the portfolio, leading to multi-year customer relationships; focus on a sell-and-make approach, reducing inventories	Growing premium on talent retention and a need to enhance people productivity	Wider filters through which corporate performance is now being appraised, including a wider prosperity circle	Deeper needs for businesses to pass the demanding financial filters of companies, especially related to solvency
Intellectual, Manufactured, Social and Relationship	Intellectual, Human	Social and Relationship, Natural	Intellectual, Manufactured, Social and Relationship

# How we enhance value

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## Our resources

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### Financial capital

The financial resources that we seek are based on the funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.



### Manufactured capital

Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.



### Human capital

Our management, employees and contract workers form a part of our workforce, their experience and competence enhancing value.



### Intellectual capital

Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge, account for our intellectual resources.



### Natural capital

We depend on raw materials like soyabean sourced from nature that is grown season wise, indicating a moderate impact on the natural environment.



### Social and relationship capital

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.



# Value created

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## Financial capital

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756.23

Revenues (₹ Cr)

Growth of 9.20%  
in FY 2021-22

2.46

Earnings per  
share (₹)

19.74

RoCE (%)

Decline of 298 bps  
in FY 2021-22

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## Human capital

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236

Number of  
employees

12.14

₹ cr, Total  
remuneration paid,  
2021-22

Growth of  
10.50%

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## Intellectual capital

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100+

Years of  
experience  
of the senior  
management

25.24

% of revenues  
derived from  
value-added  
products,  
FY 2021-22

# 'Do Right' represents the core of our ESG framework

## Overview

In a world marked by volatility, environment-social-governance is a responsible practice that helps abbreviate downcycles and extends upcycles, enhancing confidence and leading to the creation of long-term shareholder value. In view of this, ESG is not incidental to business but integral to it.

### Kriti and ESG

At Kriti Nutrients, a responsible environment-social-governance (ESG) approach represents the heart of our business. This is particularly so since we make a product that needs to be used in food preparation, which is fundamental to human existence and prosperity. The combination – environment, social and governance – represents a platform for doing the right things the right way leading to secure, scalable and sustainable growth across the long-term.

**The environment component** of our business makes it possible to consume responsible resources, consume an optimal quantum, recycle waste, build resistance to climate change and moderate carbon footprint.

**The social component** of our business addresses the need to invest in people, culture, vendor breadth, customer relationships and social responsibility.

**The governance component** of our business transparently enunciates strategic clarity, prioritises ethical values, highlights conduct codes, explains Board composition, aligns

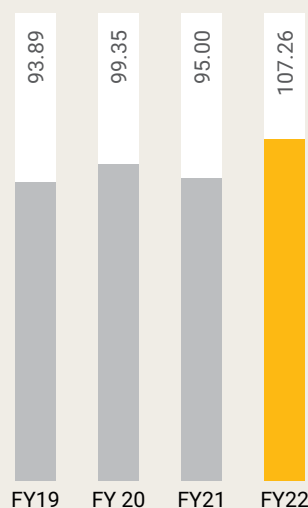
the business with UNGC principles and inspires a responsible expectation across stakeholders.

### UN Sustainability Development Goals

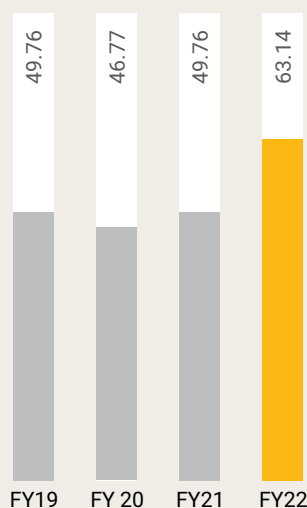
Our business is aligned with most of the sustainability priorities stipulated by the United Nations, underlining its responsibility and relevance.



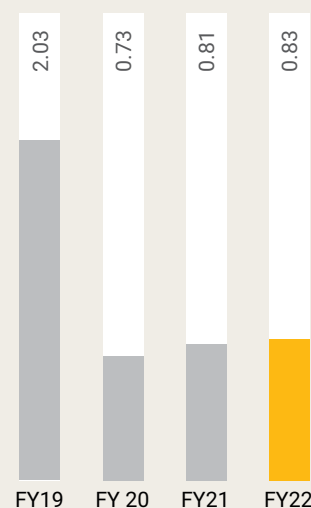
Fuel (coal) consumption, Kg per Ton of seed and crude consumed



Electrical consumption, units per Ton of seed and crude consumed



Water consumption, KL per Ton of seed and crude consumed









# Our Environment commitment

Our environment approach has been woven around a basic commitment to do no harm to the earth.

**Controls:** There is a growing commitment to environmental management systems, conduct environmental due diligence and build disaster planning & response systems across our manufacturing facility. The Company deepened its investment in processes and systems, especially information technology. It strengthened an audit-driven and compliance-driven approach, enhancing process predictability.

**Resilience:** There is a commitment to reduce energy intensity in our business and graduate to cleaner fuels.

**Lower impact:** The Company achieved zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity

At Kriti, we have strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers and strength of our processes.

# Our Social commitment

At Kriti Nutrients, we believe that business transformation is accelerated by a passionate team that comprises vendors, employees, customers and community.

**Employees:** At Kriti Nutrients, we have fostered a culture of overarching excellence that has led the Company towards sectorial outperformance. The Company made prudent investments (recruitment, retention and training) to enhance efficiency and effectiveness. Besides, the Company enhanced safety – training, protocols, certifications, investments and awareness-building.

**Customers and vendors:** The Company deepened relationships with vendors (who provided capital equipment, spares and soyabean as well as with primary customers (trade partners). The Company enjoyed relationships with more than resource suppliers, making it a preferred customer.

**Community:** The Company engaged with communities around its manufacturing location with the objective to widen the circle of prosperity through relevant interventions (in line with United Nations' Sustainable Development Goals).

# Our Governance commitment

At Kriti Nutrients, our governance platform comprises a strategic clarity on the way we intend to do business. At our company, governance comprises the commitment to do things the right way in addition to doing the right things. This combination enhances organisational predictability, attracting like-minded stakeholders who also believe in doing business our way. This is visibly reflected in the fact that a large proportion of our trade partners have remained with us for years, enhancing relationship and revenue predictability.

**Board of Directors:** At Kriti, our strategic direction is influenced by our Board of Directors who bring multi-sectorial competence to our table. In view of this, we have placed a premium on our Board composition, which comprises professionals of standing. These individuals have enriched our values, experience, multi-sectorial business understanding and strategic quality.

**Long-term:** At Kriti, our business is marked by long-term patience. This approach has influenced our investments in assets, technologies, brands, people, locations, products and trade partners, resulting in the highest standards (technology, integrity and competencies).

**Non-speculative:** At Kriti, we do not 'play' the soyabean markets; on the contrary, we focus on processing economies and value-addition. This approach has strengthened our presence as an institutional player while commanding respect among employees.

**Controlled growth:** At Kriti, we believe that business sustainability is best derived from controlled growth. In line with this conviction, the Company allocated accruals into incremental investments without stretching the Balance Sheet.

**Focus:** At Kriti, we have selected to position ourselves not as much as an edible oils company as much as a food and resources organisation. This positioning has enhanced our strategic clarity, opening us to emerging opportunities, attracting knowledge professionals and strengthening product / process research – an effective hedge against business cyclicity.

**Balanced approach:** At Kriti, we have selected to balance caution and aggression (strategic aggression and tactical conservatism), resulting in a relatively derisked approach. As a part of this approach, we focus on capital investments with a short-term payback, maximising cash flows and reinvestments. The measure of our strategic balance is an attractively low gearing, insulating us from downcycles.

**Trust:** At Kriti, the word that encapsulates all that we are and all that we do is 'trust' - the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide risk capital, why bankers lend debt and why communities support us.

**Data-driven:** At Kriti, we are an analytics-driven organisation that generates data on ground realities. This proactive investment in digital technologies has resulted in informed decision-making.





## How we are reinventing our company

At Kriti Nutrients, we recognise that the world is transforming with speed, putting a premium on our ability to respond.

In this environment, the option of status quo does not work; there is a need to perpetually reinvent the Company in line with a transforming external environment.

At Kriti Nutrients, we are reinventing our company through forward-looking investments in our brand, digitalisation, recruitment and culture. We believe that this complement will translate into enhanced stakeholder value across the foreseeable future.

**Investing in our brand:** At Kriti Nutrients, our customers engagements are business-to-consumer and business-to-business. In the latter, our brand comprises the ability to customise products, service

with speed and ensure that our customer's business is strengthened through the use of our products. In business-to-consumer engagements, especially in the edible oils business, we address the needs of primary and secondary customers: we service primary customers with speed, comfortable terms of trade, superior product quality and stable policies, ensuring that we leave adequate value on their table so that they can grow their business, empowering us to enhance wallet share. We service secondary customers (actual users) through a superior price-value proposition – which indicates that we help them to generate a larger output with a given unit of edible oil. Over the years, we have also enhanced our brand visibility, strengthening consumer trust. The result is that our brand is respected for recalls

like 'bharosa', 'better value', 'safe' and 'peace of mind'.

**Digitalising the enterprise:** At Kriti Nutrients, we believe that the role of information technology within enterprises like ours has evolved from being a back-end support provider towards becoming core to our enterprise. Over the last few years, our company has invested in digital technologies with the objective to create a standard information standard, share widely across the organisation, enhance information integrity through secured recording cum replication and use this primary data to generate a secondary layer of granular information. The result of this forward-looking approach has enhanced the Company's ability to mine information better and derive a deeper understanding of market realities. Besides, routine activities are



now addressed through information technology, liberating managerial talent to focus on new strategic initiatives.

**Recruiting young talent:** At Kriti Nutrients, we are recruiting young talent with the objective to bring new competencies and mindsets to our table. As on 31<sup>st</sup> March, 2022, the proportion of talent under the age of 35 was 43.64per cent; the proportion

of women managers was 2.12per cent; the proportion of managerial recruits under 35 was 32.14per cent. These recruits are being empowered with responsibilities in the areas of product development, market research, marketing and information technology.

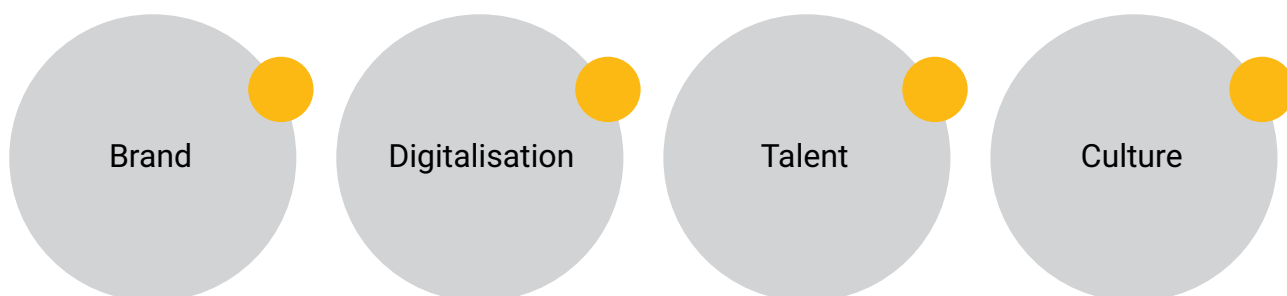
**Invigorating culture:** At Kriti Nutrients, we are evolving our culture towards delegation and greater responsibilities

for younger managers. The result is that the new generation of young managers have helped question conventional practices and introduced cutting-edge practices, enhancing organisational vitality and speed of decision making. Besides, more decisions are being taken closer to the respective markets of our presence, making them relevant and timely.

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## How we are reinventing our business

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## How we deepened the Kriti Nutrients 2.0 momentum

Some years ago, the management of Kriti Nutrients was faced with the option of letting its business grow as usual or make a decisive step towards accelerated profitability.

Even as the branded edible oil business was growing reasonably, the management experienced attractive headroom in protein-centred new product development.

This headroom was influenced by lifestyle changes, growing protein awareness, widening population and need to graduate towards healthier food options.

The Company could have restricted its intervention to changes in product mix; it ventured to transform the Company instead. This transformation did not come a day too early: in a rapidly transforming world, there was a need to remain at the cutting-edge

of product development, consumer needs and strategic flexibility.

The result is that the Company embarked on a multi-year change agenda to address complex product development without any outcome assurance. The new product development programme was supported by sustained investment of financial resources and management time. The highlight of the investments was the setting up of Innovation Centre, comprising the engagement of food technologists, doctorates and specialists.

These initiatives translated into the launch of four new products during the last quarter of the financial year under review, to address need of health and wellness. The launch of these products is expected to translate into attractive revenues from the current financial year,

generating resources for the next round of investments, growth and sustainability.

We believe that graduating differentiated product development to commercialisation in just four years represents one achievement; to have done so at a competitive cost without impairing the quality of our Balance Sheet is another. At the close of the year under review, the Company continued to remain debt-free. As a result, the success of the broadbased product portfolio is likely to translate into attractive shareholder value upside in the shortest time.

This is expected to help the Company achieve its objective to climb into the next orbit: from an edible oils brand into a broadbased foods organisation that drives revenues on the one hand and enhances value on the other.





## What we were

A predominant presence in the branded edible oils space

Marketing of products in a handful of States

Moderate but sustainable growth driven by brand dependence

Moderate pricing room (cost-plus)

Prospects influenced by the soyabean crop cycle

## How we are transforming our company

We are focusing on growth deeper than before

We are entering new geographies to market our products

We are entering new verticals, broadbasing our business

We are launching non-edible oil products

We are focusing on more value added products

## What we expect to generate from the ongoing transformation

Growing proportion of revenues from new value-added products

Association with the manufacture and marketing of branded products pan-India

Brand-driven health and wellness-based foods company

Ability to price food products based on uniqueness

Increasing independence from the soyabean crop cycle



# We have deepened our protein investments for the long-term growth of our business

## Overview

At Kriti Nutrients, we believe in the importance of the right strategic direction.

Our principal direction is encapsulated in a single word - protein.

There is a growing recognition of the importance of protein.

What has been long known is that protein helps build, repair and maintain the body's structure. As a result, protein is not incidental, but intrinsic, to human consumption.

While this should itself be encouraging for protein-centric players like us,

there is another reality that makes our presence imperative. For the first time, the world is facing an evident protein deficit – a larger appetite for protein than can be provided (through animal or plant routes).

The world's population is expected to rise from 7.8 Billion to an estimated 9.6 Billion by 2050. The increase in population will be accompanied by increased incomes; this could enhance food demand, including that for animal-based protein. This animal-sourced protein (meat, seafood, milk and eggs) comprises 'complete proteins', essential amino acids and

a range of micronutrients (iron, zinc and vitamin A). This perception of increased demand is based on the reality that global per capita meat consumption almost doubled over the last half century, reporting a rate of consumption increase unprecedented in history.

What makes prospects challenging is that animal-based protein requires extensive land and water, threatening an environmental imbalance. The outcome is that the more the world becomes prosperous, the sharp appetite increase for animal-based foods – nearly doubled protein





consumption by 2050 - could influence environmental degradation.

The focus narrows down to novel protein sources for their potential to deliver protein for the future, balancing nutritional, economic, environmental and technological imperatives.

Plant-based protein is gaining traction on account of lower land use and lower greenhouse gas emission. Soyabean is ideally placed in this niche; fat-free soyabean meal is an economical protein source for animal feeds and packaged meals; soyabean

contains significant phytic acid, dietary minerals and B vitamins and represents the most important protein feed source for farm animals (that in turn yields animal protein for human consumption).

Kriti Nutrients is at the right place at the right time. The Company's operations are located in the soyabean hotspot of India (Madhya Pradesh that accounts for 70 per cent of India's soyabean output). Kriti Nutrients is among the largest soyabean processors in the State.

The Company established brand distinction through the launch of a product (Kriti edible oil) and is now extending to the development of protein-based food products.

In view of the strategic relevance of its industry segment and its business model, the Company is prudently placed to address humankind's growing protein appetite.



# We expect to drive annual edible oils sales growth 15-20 per cent per annum from this point onwards, strengthening sustainability

A edible oil business review by **General Manager - Oil Sales & Marketing**

**THE COMPANY OFFERED CONSUMERS A WIDER SKU MIX THAT MADE IT POSSIBLE TO ADDRESS THEIR SHORT-TERM NEEDS AS WELL. THE COMPANY ENHANCED INCENTIVES FOR THE HIGH PERFORMERS, STRENGTHENING THEIR ASPIRATION TO CONSISTENTLY OUTPERFORM FOR MUTUAL BENEFIT.**

**Q Would you describe the year under review as a turnaround one for the branded edible oils business of the Company?**

A: I would – and for good reasons. Over the years, the Company invested extensively in enhancing brand recall, as a result of which the brand name of 'Kriti' is now virtually a generic name in the geographies of our presence ('Kriti dena' is what people say in retail stores when they wish to ask for any edible oil). However, there was a growing recognition that the strength of the brand was not translating into corresponding volume value. There was clearly a message: Kriti should be selling far more than it was.

**Q What could be the reasons for this?**

A: The Company had focused on strengthening its core market presence in Madhya Pradesh. Besides, the engagement with trade partners could not be fully optimised over time. So, we had an anomaly: on the one hand, the product characteristics were considered superior to competing varieties in the market, including the leading national brand; on the other hand, the product superiority was not being reflected adequately in corresponding revenues.

**Q How did the Company respond to this reality?**

A: The Company completely relooked its distribution practice. The Company focused on 10 per cent of its partners who accounted for 90 per cent of

its sales volume. The Company created a formalised retailer/dealer engagement programme; it serviced these trade partners more frequently; it addressed their needs quicker; it enhanced their motivation to enhance Kriti's wallet share of their business. These initiatives had a positive outcome starting the third quarter of the year under review.

**Q Can you provide an insight into the kind of improvement?**

A: During the first half of the year under review, the Company reported an average monthly offtake of 1372 tonnes; during the second half, sales climbed to a peak of 4297 tonnes per month. The Company reported nearly 2104 tonnes of edible oil sales in March 2022 which was considerably higher than the retrospective average. These realities indicate that the Company's oils business touched a watershed moment during the last financial year.

**Q What were some initiatives that catalysed this trend?**

A: The Company offered consumers a wider SKU mix that made it possible to address their short-term needs as well. The Company enhanced incentives for the high performers, strengthening their aspiration to consistently outperform for mutual benefit. The Company formalised the roles and responsibilities of the sales team (related to sales volume and distribution breadth). The Company strengthened its sales

force automation, which provided a real-time dashboard of marketplace offtake. The Company plugged market gaps with SKUs and geographic presence.

**Q What was the outcome of these initiatives?**

A: Sales were now spread more evenly across the month, which resulted in a better capture of any upturn in demand. This strengthened the overall offtake, which made it easier to

amortise the fixed sales costs better. The Company generated a superior productivity on every expended marketing rupee, strengthening productivity.

**Q Where does this business go from here?**

A: The Company believes that it can enhance monthly sales throughput to 6000 tonnes across the next two years. Since this is expected to be derived through nominal capital

expenditure, this could translate into a sustainable superior profitability, providing the Company with the resources to reinvest and graduate the Company into the next orbit. The result is that we expected to drive annual sales growth around 15 to 20 per cent per annum from this point onwards, making this a sustainably growing business.

## How we intend to grow our edible oils business

We intend to graduate our positioning from that of an edible oils-driven company into a consumer foods company

We intend to position ourselves as a holistic edible oils company with a presence in sunflower, mustard and groundnut oils as well (extending from our conventional positioning as a soyabean oils company)

We intend to seed our presence in contiguous markets like Chhattisgarh and Rajasthan

We intend to build our presence in the Modern Trade format

We intend to widen the number of SKUs, enhancing consumer convenience

## The benefits of soyabean oil

**High smoke point:** Soyabean oil has a relatively high smoke point of about 450°F (230°C), which makes it ideal for high heat cooking methods (roasting, baking, frying and sautéing).

**Heart-healthy fats:** Soyabean oil comprises polyunsaturated fatty acids, which lowers heart disease risk and cholesterol; the oil also contains heart-healthy omega-3 fatty acids.

**Bone health:** Soyabean oil is rich in vitamin K, which may help maintain bone strength and reduce the risk of fractures. One animal study found that the oil could prevent bone loss

**Omega-3 fatty acids:** Soyabean oil contains omega-3 fatty acids, playing an integral role in heart health, foetal development, brain function and immunity.

**Skin health:** Soyabean oil is an ingredient in skin care serums, gels and lotions, enhancing skin health. Soyabean oil is rich in vitamin E, a nutrient that can help promote skin health.

**Versatile:** Soyabean oil has a mild, neutral taste that can fit seamlessly into nearly any recipe that calls for cooking oil.



## The Company enjoys a positive outlook as consumers seek to shift towards protein-rich diets

**Our Marketing Head** (*Value-added products*) reviews the working of this business segment during the year under review

**T**HE COMPANY RECOGNISED THAT A TIME OF UNPRECEDENTED VOLATILITY, THE MOST ADVISABLE RESPONSE WOULD BE TO UNDERTAKE CUSTOMER ENGAGEMENT ACTIVITIES.

**Q** How would you review the performance of this business during the year under review?

A: In 2021, we encountered the sharpest movement in raw material prices that affected our short-term profitability. Even as we were required to buy resources at higher prices, we could not price our products higher in return, affecting our viability. What transpires was that our buyers moved to alternative products, which affected our capacity to report higher revenues.

**Q** How did the Company address the prevailing reality?

A: The Company recognised that a time of unprecedented volatility, the most advisable response would be to undertake customer engagement activities. What the customer required during the ongoing circumstance was more information on which he or she could base decision-making. The result is that we provided regular market updates, enhancing an awareness of buying opportunities in subsequent quarters. Besides, the Company mitigated the extent



of market fluctuations and seed availability through the prudent hedging of raw materials, currencies and timely offtake of by-products. This explains why, despite a period of price upheaval, the Company's protein-based products business performed creditably.

**Q How did these initiatives translate into superior offtake and profits?**

A: The Company's protein-based business reported 9.20per cent growth in revenues while corresponding EBITDA resulted to ₹22.67 during the year under review. The EBITDA margin reported by the business was 3.56per cent in FY 2020-21 and 3per cent in FY 2021-22.

**Q What is the outlook of the business?**

A: The business enjoys an attractive outlook. Kriti Nutrients is engaged in manufacturing value-added protein-based products that address specialised applications and customised requirements in various sectors (food, pharmaceutical, dairy, aqua & poultry, confectionaries

and infant nutritional food). The manufacture of a range of products addressing diverse applications has helped broaden the Company's risk and revenue profile, strengthening sustainability.

**Q Can you elaborate on portfolio broadbasing?**

A: The Company produces varied kinds of soya (value-added) products: soya lecithin, super HyPro SBM, defatted soya flour/grits/ flakes (toasted), defatted soya flour/grits/ flakes (untoasted), full fat soya, textured soya protein, soya hulls and others. These value-added protein-based products are exported across 30+ countries. This growing basket of products has ensured that the business remains responsive to diverse downstream markets, reducing our dependence on any segment or few segments.

**Q What initiatives did the Company embark upon during the last financial year to strengthen this segment?**

A: The manufacturing complex comprises solvent extraction plants

(SEPs) with an enhanced capacity of 700 tonnes per day of soya seed crushing. The Company reported a moderated capacity utilisation, which provided us with adequate throughput for the protein-based business to build. The Company developed soya textured vegetable protein as a new addition to the Company's product mix in 2021. The Company launched two products during the last quarter of the last financial year, the full impact of which will be visible during the current year.

**Q What is the Company's outlook for FY 2022-23?**

A: The Company enjoys a positive outlook as consumers seek to shift towards protein-rich diets. The Company intends to strengthen operational responsiveness. The Company will seek to attract consumers who had no alternatives during the pandemic and explore markets with an increased vegan appetite.

## The long-term outlook of our business

Projected economic growth

Growing disposable incomes

Aspiration towards healthier food inputs

Enhanced discretionary spending

Deepening trust in branded and packaged products

Increased awareness for food hygiene







# How Project Udaan has strengthened our business

## Overview

In a competitive thin-margin business with stable end product realisations, there is a consistent need to enhance offtake, cost management and competitiveness. During the last few years, the Company created a focused team to enhance objective-orientation around defined outcomes. Project Udaan was launched to address 'business as usual' needs that strengthen revenues and engage in projects with a high upside potential.

## Initiatives

**Deeper presence:** The Company focused on existing markets (Madhya Pradesh and Rajasthan), plugged market gaps, increased dealer

presence and enhanced product availability, reducing logistics costs.

**Sales team:** The Company launched the Dealer Operating System, wherein software was provided to primary customers (dealers) to record related transactions, liberating them from a dependence on the Company's executives. Besides, digital transactions eliminated manual intervention, enhancing accuracy and transparency.

**Service:** The Company moved to a distribution-led approach, marked by intensive market coverage (as opposed to extensive). The Company segmented its large markets into smaller ones, allocated sales

responsibility to focused teams, delivered consignments quicker, encouraged dealers to stock less (lower working capital outlay), tracked sales per dealer better and evolved from larger consumer packaging to smaller denominations (15 litres to 200 ml).

## Outcomes

The Company increased its market presence from 120 locations in FY 2019-20 to 126 locations in FY 2020-21. The Company strengthened its distribution network through periodic engagements and Dealer Operating System. The Company enhanced its brand visibility, strengthening offtake.



# How we improved our operational efficiency in a challenging year

## Overview

Over the years, the Company strengthened its operational efficiency through prudent and timely investments in state-of-the-art technologies and processes. The Company is respected for being among the most competent and knowledgeable in its sector. This has helped generate consistent sectorial outperformance through efficient asset sweating of manufacturing capacity and generating superior realisations over the sectorial average. The result is that the company's operational efficiency represents a pillar of its competitiveness.

## Our strengths

**Locational advantage:** The Company's state-of-the-art manufacturing facility is strategically located in Dewas, a soybean-rich belt of Madhya Pradesh. The Company obtains 50per cent its raw material from within 200 kms, reducing logistic costs.

**Automation:** The Company invested in automation and digitalisation to enhance process productivity. The automation of the solvent extraction plant provides the Company with an edge over competition (around 80per cent operating through manual systems).

**Storage:** The Company possesses a storage capacity of 24,000 metric tonnes, an advantage when seeds are acquired at an attractively low

price to capitalise on fleeting market opportunities.

**Technology:** The Company invested in a world-class refining technology in its Dewas plant (225 tonnes oil refining capacity per day). Kriti uses technology from Defnet (Belgium) in its soybean refinery plant, regarded as among the best deodorisation and refining systems.

## Challenges and responses

In FY 2021-22, the Company encountered a challenge as off-season seed prices increased sharply, rising from ₹4,500-5,000 per tonne (October 2020) to around ₹10,000-11,500 per tonne (April 2021), affecting viability. The Company continued to focus on supply chain stability, automated quality checks and periodic sample checks across different parameters. In later months, the Company built a sizable inventory at a lower cost to hedge probable volatility and booked deoiled cake sales without taking speculative positions. Kriti retained its Madhya Pradesh leadership by offtake and quality, generating a premium over competition.

## Business-strengthening initiatives, FY 2021-22

- The Company invested in processing automation, enhancing stability and systemic predictability in its solvent extraction plant. Solvent extraction yield increased 1per cent;

refinery plant yield improved 0.6per cent

- The Company installed automatic control walls ensuring automatic adjustments in temperature changes and leading to improved product quality and the increased Nitrogen Solubility Index value of products.

- The Company commenced online-activated automation of anti-oxidant dozens, enhancing product and process integrity.

- The Company undertook initiatives to control the oxide value of refined oil; CIP (Clean-in-place) of the deodorisation system was introduced to enhance refined oil quality.

- The Company utilised its solvent extraction plant to around 60per cent capacity; in the refinery segment, the Company utilised around 65-70per cent capacity, better when compared to FY 2020-21.

- The Company enhanced capacity from one loading station for containers to three loading stations, strengthening material handling

- The Company enhanced refined oil storage capacity from 400 tonnes to 1000 tonnes, reducing stock outs at the retail end.

## Outlook, FY 2022-23

The Company plans to treble soya flour capacity to 3 tonnes per hour, strengthening throughput.

# How we strengthened customer service through holistic quality management

## Overview

At Kriti Nutrients, we recognise that we are engaged in a responsible business that influences health and well-being. As India graduates from the consumption of loose edible oils to packaged options, there is a premium on the need to deliver the highest product hygiene. Over the years, the Company responded with a holistic quality culture delivered through an overarching quality culture.

## Our strengths

**Certifications:** The Company graduated from ISO 22000:2005 to ISO 22000:2018; it upgraded to the new version of Non-GMO (version 5) in the soya flour and lecithin verticals that reinforced the Food Safety Management System.

**Consumer support:** The Company's product hygiene and safety initiatives were validated by institutional

customers, distributors and retailers, strengthening revenue visibility.

**Ethics:** The Company responded with a holistic quality approach leading to product integrity, sustained research, enhanced governance and stronger sustainability.

**Technology:** The Company sustained its technology focus, strengthening competitiveness.

## Our quality credentials

**FSSC 22000:2018 - ISO 22000:2018:** Food safety management systems that address requirements of organisations related to the food chain; recognised as the most relevant document supporting the development of a food safety management system the world over. The International Standard defines food safety hazards and guidelines, empowering organisations to deliver food-related products and services with confidence.

**ISO 9000:2015 - ISO 9001:2015:** Specifies requirements for a quality management system. The organisation aims to enhance customer satisfaction through the effective application of the system, including processes for systematic improvement and conformity assurance to customers and applicable statutory and regulatory agencies.

**RTRS:** The Round Table on Responsible Soy (RTRS) Standard for Responsible Soy Production is a holistic certification scheme including five principles and 106 mandatory and progressive compliance indicators: Legal compliance and good business practices; Responsible labour conditions; responsible community relations; environmental responsibility and good agricultural practices

**HALAL:** This is an internationally recognised certification to enter 117 countries. The process ensures the features and quality of products according to the rules established by the Islamic Council that allow the use of the mark Halal.

**KOSHER:** The certification ensures that their food is kosher, or fit for consumption by observant Jews. Kosher refers to a religious dietary practice rooted in the Jewish tradition.

**GMP plus FSA standard:** GMP+ (Good Manufacturing Practice System) validates that the Company meets all requirements for the assurance of feed safety. GMP+ FSA (Feed Safety Assurance) is an internationally recognised program for feed safety management.

**Non-GMO certification:** The concept of preserved identity indicates an absence of genetically modified organisms. This certification is related to production tracking.

**SEDEX:** A SEDEX (Supplier Ethical Data Exchange) database is a recognised non-profit organisation and online platform where registered companies openly share information about their social and ethical business practices in global supply chains. SEDEX helps maintain ethical information in a simple manner.

## Our quality evolution

An improvement has been seen in the proficiency test, translating into a downward trajectory of complaints for the last two years.

### Lecithin

0

Number of complaints and failures (in-house or consumer) in FY 2020-21

0

Number of complaints and failures (in-house or consumer) in FY 2019-20

### Oil

9

Complaints received in FY 2020-21

15

Complaints received in FY 2019-20

### Soya flakes and grits

4

Complaints received in FY 2020-21

23

Complaints received in FY 2019-20

### Soya flour

0

Number of complaints and failures (in-house or consumer) in FY 2020-21

0

Number of complaints and failures (in-house or consumer) in FY 2019-20







## Our quality excellence philosophy

Kriti Nutrients is committed to a culture of overarching excellence. This is directed towards retaining its position as a sectorial benchmark in all respects.

**People-ready:** The Company believes that employee competence is key to success. In view of this, the Company is committed to equip them with evolving competencies. The Company embarked on total productive maintenance (TPM) covering the following aspects:

The 5S discipline (seiri, seiton, seiso, seiketsu, and shitsuke) focus on 'sort', 'set in order', 'shine', 'standardise', and 'sustain', resulting in a clean, uncluttered, safe and organised workspace committed to reduce waste and enhance productivity.

The Autonomous Maintenance approach provides maintenance training to equipment operators for basic maintenance interventions.

Kobetsu Kaizen (Change for better) is an ongoing management approach focusing on individual improvement.

Education and Training (E&T) empowers multi-skilled employees to enhance capabilities in a systematic manner.

Safety, health and environment implements the TPM methodology to drive the Company towards a culture of zero accidents.

Quality and Maintenance helps prevent defects at source as opposed to rigorous ongoing inspection to detect post-manufacturing defects.

Office TPM focuses on areas that provide administrative and support functions.

**Plant-ready:** The Company's fully automated manufacturing facility comprising superior microbiology labs and TPM activities to maximise productivity and quality. The state-of-the-art unit comprises a solvent extraction plant (capacity 700 tonnes per day of soya seed crushing) and a soya refinery (capacity 225 tonnes per day). The Company installed filters to control air pollution; it introduced bag-filters in boilers, reducing emissions to well below the stipulated level; it invested in an effluent treatment plant, eliminating liquid discharge. The Company is now shifting towards a 'green factory', marked by environment-friendly manufacture.

**Process-ready:** The Company's competitiveness is influenced by the speed and extent of technology absorption. The Company invested in integrated technological advancements and processes, strengthening market responsiveness.

The automated refinery is operated through a programmable logic controller (PLC). This industrial computer control system continuously monitors the state of input devices and makes decisions based upon a custom program to control them. The Company also installed equipment for the production of soya textured vegetable protein.

At Kriti Nutrients, R&D is not incidental to our operations; we invest in the next generation of products, processes and services to embrace disruptive technologies and invest in research professionals.

The Company installed multiple automated bagging points in the preparatory segment of the manufacturing unit leading to efficient packaging speed and quality.

### Highlights, FY 2021-22

- The Company established its R&D centre and additional baby food segment within its manufacturing unit for seamless process integration.
- The Company received the 'Commitment to Food Safety' award in the oil and fats category by Confederation of Indian Industry (CII) in 2020
- The Company undertook TPM to strengthen the quality management system
- The Company received appreciation from institutional customers for its culture of manufacturing excellence in 2021
- The Company installed equipment to manufacture textured vegetable protein to strengthen its revenue engine
- The Company initiated new products development (mustard oil and groundnut oil)

### Outlook

The Company intends to strengthen its seven TPM pillars, identify improvement areas, enhance quality specifications and implement another TVP plant following back-to-back commitments from large global institutional customers. Besides, the Company intends to extend its footprint into the infant nutritional food segment.

# What our people feel about working with us

“

Kriti Nutrients' policies and working culture are progressive. When it engages with a client, its goal is not just to generate a surplus; it is to build an enduring relationship. The result is that 19.90 per cent of the Company's institutional revenues were derived from customers of three years or more.”

“

What keeps Kriti Nutrients in business is a high sense of ethical integrity: no overpromising and under-delivering; no ethical misconduct; no process opacity. The Company provides clarity to clients on what needs to be done and how they will do it. If the client agrees, a relationship is built. This is the basis and outcome of 'Do right'.”

“

The test of our company's 'Do right' commitment is when raw material (and hence, end products) costs turn volatile. A number of companies shy away from fulfilling contracts on the basis of factors outside their control. Not at Kriti. Kriti delivers no matter what the circumstances. This is why clients prefer us.

“

There were sales calls I didn't know how to pitch. Our Managing Director guided me through the process, which proved successful. The result is that I have improved my sales pitch and become more confident in client handling.



“

One employee was admitted to the hospital in a critical condition; his funds were not enough to fund his medical expenses. Even though he was not an old employee, the management provided monetary support. This motivated employees that the top management is always ready to help, which is different from competitors.

“

Having been around for 40 years, one would have expected Kriti Nutrients - especially a promoter-led company - to be rigid in its ways. The Company surprised me. The fact that there is a business transformation department in a legacy business like edible oil indicates how adaptive the Company is. It is welcoming of suggestions - including those that might alter the status quo.

“

I used to work in Kriti Nutrients as a change facilitator. I was instrumental in implementing team reviews using numbers. Now people do it automatically.

“

Kriti Nutrients expanded our network into Telangana, Gujarat and Maharashtra where we started with ₹2-3 Cr revenues per month and moved to almost ₹60 Cr within three years. We recently set up a dealer engagement programme to revamp the dealer incentivisation process. It usually takes ages to achieve this kind of co-ordination but at Kriti Nutrients it was achieved in no time.



Two words describe Kriti: trust and integrity. The result is that the Company focuses more on sustainability over profitability. Whenever Kriti produces oil that does not pass our stringent quality standards (as they address the government's standards), it re-processed at an additional cost until it was absolutely assured of the quality.



Generally, 910 ml oil is generated from 1 litre of packaging (as per the stipulated standard). Last year, when oil prices almost doubled, a number of oil manufacturers reduced the quantity to 850 ml or 700ml. Not Kriti. The Company did no such thing, which explains why consumers trust Kriti and why the Company is a market leader.



Kriti's value lies in its commitment to product purity, transparency, ethics, integrity and other factors. As a responsible agro-based player, the Company does not engage in raw material speculation, which makes it distinctive within its sector. The result is stability for all stakeholders.



During the second COVID-19 wave, the Company allowed employees to work from home, arranged the treatment of affected employees free of cost, support for hospitalisation, arranged oxygen cylinders and other medical amenities (like oximeter). An in-house doctor treated employees when needed. Hundred per cent vaccination was provided for employees and family members.



"I was visiting a rural edible oils outlet and once consumers got to know that I was from Kriti, they came up and shared their feedback. I have never seen a rural consumer engage so happily with an edible oils brand. One customer told me that even though our oil was priced higher than competing brands, he continued to prefer ours. He said, 'While using other brands I need to use four spoons of oil, but for Kriti I use only two – a better price-value proposition.'"



"In my seven years of engagement with Kriti, the trust of the senior management led to my career growth. I joined here as a Senior Officer; at present I am an Assistant Manager. I owe much of this growth to my senior management for providing challenges and opportunities. In one word, Kriti is the best to work with"



"I joined Kriti Nutrients in November 2020. I started a system to track market trends which was appreciated by our Chairman. In this and so many other ways, this Company is among the best to work with in Indore."

## What customers have to say about buying from us



"We have been in partnership with Kriti Nutrients for 25 years for a good reason: its refined oil is thick and of premium quality at an affordable price. Kriti se kharida hua tel ghaara hota hain; is liye kam se kaam ho jaata hain."

**Mahesh Kumar Ahuja,**  
Amit Kirana store (Madhya Pradesh)



"We have been engaged with Kriti Nutrients for 28 years. We buy most of our refined soyabean oil and refined sunflower oil from Kriti. The Company has helped us grow on account of its product consistency. Best of all, the senior management is down to earth and approachable for all dealers."

**Sandeep Sevaldasani,**  
Asandas Choithram (Madhya Pradesh)



"We have been in partnership with Kriti Nutrients for 10 years and feel are family now. Kriti's edible oil is nutritious and healthy. Its varied packaging sizes is of deluxe quality. The Executive Director Saurabh Singh Mehta gives an equal importance to each dealer with corresponding freedom of speech and a solution for every problem."

**Abhishek Rajlani,** Abhishek Trading (Madhya Pradesh)





# Management discussion and analysis

## Global economic overview

The global economy grew an estimated 5.9 per cent in 2021 compared to a de-growth of 3.3 per cent in 2020. This improvement was largely due to an increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economic recovery is attributed to accelerated vaccine rollout across 4.4 Billion people, around 56 per cent of the global population (single dose). The spot price of Brent crude oil increased 53.34 per cent from US\$ 50.37 per barrel at the beginning of 2021 to US\$ 77.24 per barrel at the end of the calendar year, strengthening the

performance of oil exporting countries and moderating growth in importing nations. Global FDI reported an increase from \$929 Billion in 2020 to an estimated \$1.65 trillion in 2021.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, foodgrains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6 per cent in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth ( per cent)	FY21	FY20
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

## Performance of major economies

**United States:** The country reported GDP growth of 5.7 per cent in 2021 compared to a de-growth of 3.4 per cent in 2020, following the government's investment of trillions of dollars in COVID relief.

**China:** The country's GDP grew 8.1 per cent in 2021 compared to 2.3 per cent in 2020 despite it being the novel corona virus epicentre.

**United Kingdom:** The country's GDP grew 7.5 per cent in 2021 compared to a 9.9 per cent de-growth in 2020.

**Japan:** The country reported growth of 1.7 per cent in 2021 following a contraction in the previous year.

**Germany:** The country reported a GDP growth of 2.9 per cent in 2021 compared to a decline of 4.9 per cent in 2020.

(Source: World Bank, IMF, Business Standard, Times of India)

## Indian economic overview

The Indian economy reported an attractive recovery in 2021-22, its GDP rebounding from a de-growth of

7.3 per cent in 2020-21 to a growth of 8.7 per cent in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 Billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

## Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

## Growth of the Indian economy, 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	4.1

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6 per cent in the last quarter of FY 2020-21, the Indian economy grew 20.1 per cent in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32 per cent of a normal monsoon, lower though than in the previous year. The estimated production of rice and pulses recorded volumes of 127.93 Million tonnes and 26.96 Million tonnes respectively. The total oilseeds production of the country recorded a volume of 371.47 Million tonnes. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY 2021-22 is anticipated to be 3-3.5 per cent. The country's manufacturing sector grew an estimated 12.5 per cent, the agriculture sector 3.9 per cent, mining and quarrying by 14.3 per cent, construction by 10.7 per cent

and electricity, gas and water supply by 8.5 per cent in FY 2021-22.

There were positive features of the Indian economy during the year under review.

India attracted highest annual FDI inflow of US\$ 83.57 Billion in FY 2021-22, a validation of global investing confidence in India's growth story. The government approved 100 per cent FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49 per cent to 74 per cent in Union Budget 2021-22.

India surpassed the ₹88,000 cr target set for asset monetisation in 2021-22, raising over ₹97,000 Cr with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹6 Lakh Cr asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia,

redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received US\$ 87 Billion during 2021, with the US being the largest source (20 per cent). India's foreign exchange reserves stood at an all-time high of US\$ 642.45 Billion as on 3<sup>rd</sup> September, 2021, crossing US\$ 600 Billion in FOREX reserves for the first time.

India's currency weakened 3.59 per cent from ₹73.28 to ₹75.91 to a US dollar through FY 2021-22. The consumer price index (CPI) of India stood at an estimated 5.3 per cent in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 Lakh Cr, which is 15 per cent higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 Cr in 2021 as the country ranked fifth among the world's

top leading stock markets with a market capitalisation of \$3.21 trillion in March 2022.

The fiscal deficit was estimated at ~₹15.91 trillion for the year ending 31<sup>st</sup> March, 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28 per cent from ₹1.29 Lakh in 2020-21 to ₹1.50 Lakh in 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 Lakh Cr in FY 2021-22 compared with a budget estimate of ₹22.17 Lakh Cr. While direct taxes increased 49 per cent, indirect tax collections increased 30 per cent. The tax-to-GDP ratio jumped from 10.3 per cent in FY 2020-21 to 11.7 per cent in FY 2021-22, the highest since 1999.

Retail inflation in March at 6.95 per cent was above the RBI's tolerance level of 6 per cent but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

### Indian economic reforms and Budget 2022-23 provisions

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasising the role of PM Gati Shakti, inclusive development, productivity enhancement & investment, sunrise opportunities, energy transition and climate action, as well as financing of investments.

The capital expenditure target of the Indian government expanded by 35.4 per cent from ₹5.54 Lakh Cr to ₹7.50 Lakh Cr. The effective capital expenditure for FY 2022-23 is seen at ₹10.7 Lakh Cr. An outlay

of ₹5.25 Lakh Cr was made to the Ministry of Defence, which is 13.31 per cent of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹20,000 Cr was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for 2022-23 for the national highways network. To boost the agricultural sector, an allocation of ₹2.37 Lakh Cr was made towards the procurement of wheat and paddy under MSP operations. An outlay of ₹1.97 Lakh Cr was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

### Outlook

India's medium-term optimism is derived from the fact that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time. The long-term downtrend, as a result of nonperforming assets, scams and overcapacity could be over; the medium-term downtrend that was caused by the ILFS crisis, select banks collapse and weakening NBFCs could well be over; the short-term downtrend on account of the pandemic has weakened following the acceleration of the vaccine rollout.

There is a possibility of each of these downtrends having played out, which could well lead to a multi-year revival in capital investments. Some US\$ 500 Billion worth of investments are expected to be made in the wind and solar infrastructure, energy storage and grid expansion.

The Indian economy is projected to grow by 8 per cent in FY 2022-23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should

be about ₹5 trillion. Besides, the government's production linked incentives (PLI)-led capex should generate an incremental ₹1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

### Global soybean market overview

The global soybean market was estimated at US\$ 3,764.6 Million in 2021-22, catalysed by growing awareness among the consumers about its health benefits, environmental sustainability, increased acceptance among vegans and increased applications in various end-use segments such as animal feed. Also, soyabean is the perfect proxy for dairy as it contains the same nutrients. Further, it is expected to reach US\$162.36 Billion by 2027. The total global soybean production was pegged at ~383 Million tonnes in 2021, up 6 per cent year on year and is further expected to reach 514 Million tonnes by 2050.

Asia Pacific was the geographical leader with a global share of 35 per cent in 2021 due to increased consumption of soyabean products. As of 2021, Brazil and United States are the world's leading producer of soybean and were expected to produce 139 Million tonnes and 120.8 Million tonnes, respectively. China is the world's largest soyabean importer and is expected to purchase a record 103.8 Million tonnes of beans, accounting for 60 per cent of global trade. The country's growth is fuelled by increasing soybean meal feed use, decreased soybean production and limited imports of rapeseed. World soybean oil production was pegged at 62.25 Million metric tonnes, 1.81 Million tonnes higher compared to the 2020-21 forecast of 60.44 Million metric tonnes. Demand for soyabean derivatives has witnessed a significant improvement over the past few years. Increase in incomes and consumer awareness will lead in a higher offtake of nutraceuticals and animal feed segment. Asia-Pacific and Latin America are expected to account for more than 78 per cent of the global market share by 2025.

(Source: ktvn.com, ihsmarket.com, SP Global)



**Table 1: Global soyabean supply and demand (in Million tonnes)**

	FY19	FY20	FY21	FY22P
Opening stocks	47.70	63.30	52.10	52.80
Production	363.30	340.10	362.30	379.80
Imports	151.70	169.90	166.10	171.10
Total availability	410.90	403.40	414.30	432.60
Crush	304.30	307.50	318.80	331.20
Total consumption	347.60	351.30	361.50	375.70
Exports	151.70	169.90	166.10	171.10
Ending stocks	63.30	52.10	52.80	56.90

(Source: International Grains Council)

### Indian soybean market overview

India's soybean production was expected to reach 13 Million metric tonnes in 2021-22 compared to 10.8 Million metric tonnes of soyabean in 2020-21. According to India's ministry of agriculture, planted area under soybean stood at 12.2 Million hectares in 2021-22, slightly higher than 12.1 Million hectares in 2020-21. It was projected that over 41 per cent of soybean crop planted remains in good-to-excellent conditions and over 13.8 per cent of the planted area is in poor condition. In addition, Madhya Pradesh being the largest soyabean producer of India, witnessed a reduction of nearly 5 per cent in plantation of soyabean in 2020-21

and stood at 5.6 Million hectares.

The state generally produces on an average of 6.5 Million metric tonnes of soyabean every year.

According to the Indian Meteorological Department, monsoon rains in India during 1<sup>st</sup> June, 2021 to 15<sup>th</sup> September, 2021 were 4 per cent lower from the average. In Madhya Pradesh, rainfall was 5 per cent lower from the average during the same period. The adverse condition of the crop is majorly due to poor rainfall across major producing regions. As of 2021-22, Maharashtra is the second largest producer of soyabean with total soyabean production of 118.89 Lakh tonnes. The state saw a rise of 13.71 per cent compared to 104.55

Lakh tonnes in 2020-21. This growth is catalysed by increasing awareness about the advantages of a healthy diet and protein-based food.

Soyabean is also a vital element of animal feed. The Indian animal feed market was pegged at ₹942.4 Billion in 2020 and is expected to enhance at a CAGR of 12.5 per cent during 2021-2026, steering the demand for soyabean. As per estimates of the US Department of Agriculture, India's soybean oil imports are expected to reach 3.7 Million tonnes in 2021-22 compared to 3.6 Million tonnes in 2020-21.

(Source: imarc group, pjtsau.edu.in, spglobal.com)

**Table 3: State wise area under soyabean in India**

State	FY21			FY22		
	Area (Lakh ha)	Area (Lakh acres)	% of total area	Area (Lakh ha)	Area (Lakh acres)	% of total area
Madhya Pradesh	58.54	144.66	48.30	55.84	137.98	45.86
Maharashtra	43.21	106.77	35.65	46.01	113.69	37.79
Rajasthan	11.00	27.18	9.08	10.62	26.24	8.72
Karnataka	3.32	8.20	2.74	3.82	9.44	3.14
Gujarat	1.49	3.68	1.23	2.24	5.54	1.84
Telangana	1.60	3.95	1.32	1.51	3.74	1.24
Others	2.04	5.04	1.68	1.72	4.25	1.41
All India	121.20	299.49	100.00	121.76	300.88	100.00

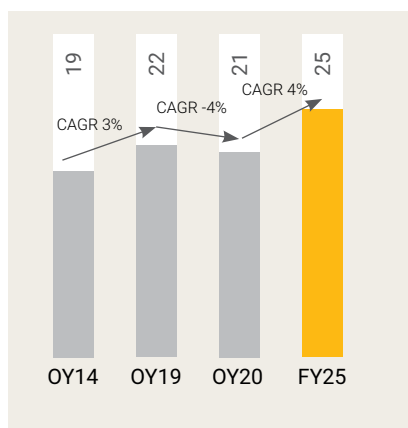
(Source: www.agricoop.gov.in)

# Indian packaged edible oil market

## Edible oil consumption (Volume)

Edible oils are an essential for Indian cooking. Growing population, changing tastes and preferences of consumers, shifting consumption pattern towards branded oils and consistent marketing and distribution initiatives by edible oil brands is enhancing the consumption of edible oils in the country year on year. The total consumption of edible oil in Indian in FY 2021-22 was estimated at 23 Million tonnes. Out of the total requirement, it is estimated that ~10 Million tonnes is produced domestically from primary (Soybean, Rapeseed & Mustard, Groundnut, Sunflower, Safflower & Niger) and secondary sources (Oil palm, Coconut, Rice Bran, Cotton Seeds & Tree Borne Oilseeds) and remaining 57 per cent, is met through imports.

**Figure: Edible oil consumption in India – By Volume (Million tonnes)**



(Source: Technopak Research)

OY – Oil Year (November to October), OY 20XX corresponds to FY 20XX+1

During the year, approximately 18 per cent of the edible oil volume was consumed by large scale food processing enterprises (bulk buyers) which includes savoury snacks and bakery good manufacturers. Almost 20 per cent of this volume was consumed by the HoReCa (Hotels, Restaurants and Caterers) segment and 62 per cent of the volume was consumed by the end consumer segment. The end consumer segment and HoReCa segment comprises of packaged oils with pack sizes ranging from 200 ml to 15 litres in which the smaller packs are purchased by the end consumer segment.

Over the years, the government and industry bodies are focusing on increasing crop-wise area, production yield, minimising imports, maintaining balance between market price and import duty and encourage exports.

## Big numbers

14

Kgs, India's per capita vegetable oil consumption

15

Kgs, Global per capita vegetable oil consumption (average) (Source – Biomedres)

9.5

Kgs, China's per capita vegetable oil consumption (Source – Statista)

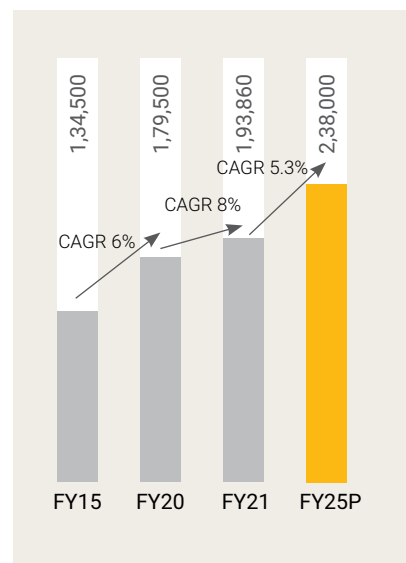
8.4

Kgs, USA's per capita vegetable oil consumption (Source – Statista)

## Edible oil retail market

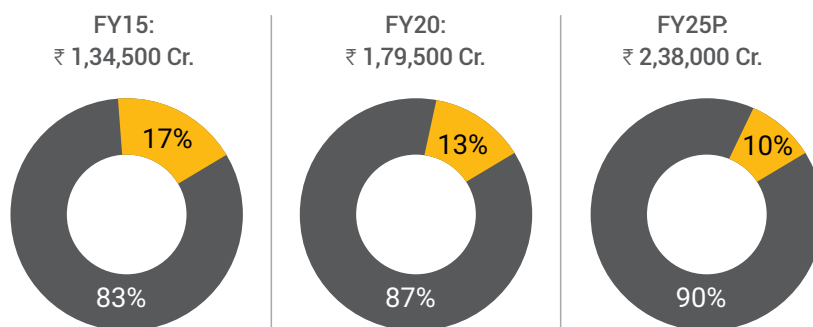
The edible oil retail market was estimated at ₹1,79,500 Cr in FY 2019-20 and is expected to grow at a CAGR of 6 per cent in the coming five years. The share of unbranded oil is consistently dropping and is estimated to shrink to ~10 per cent by FY 2024-25. The edible oils retail market includes the consumption through HoReCa segment and end consumer. In FY 2020-21, while the HoReCa segment has been adversely affected by COVID-19, the consumer segment has witnessed a steady growth. While consumption in terms of volumes has only marginally de-grown in FY 2020-21, the value growth is a result of price increase in the international markets.

**Figure: Edible oil retail market in India (₹ Cr)**



(Source: Technopak Research)

**Figure: Share of branded edible oil market in India**



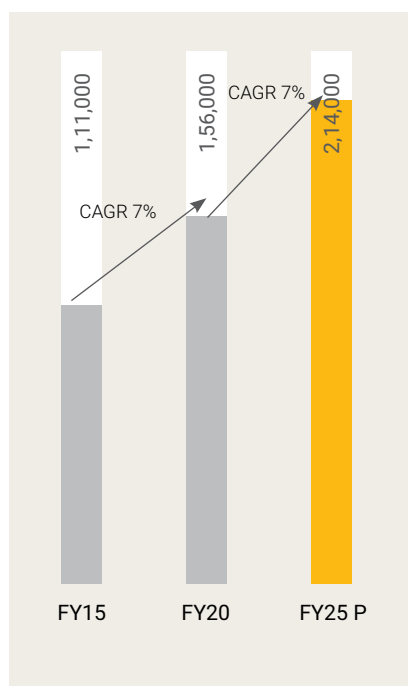
(Source: Technopak Research)

■ Branded ■ Unbranded

### Branded edible oil retail market

The branded edible oil market was estimated to be around ₹ 1,56,000 Cr and is expected to grow faster than the overall category, gaining a lion's share of close to 90 per cent of the total market in terms of value in the coming five years. It is estimated that close to 75 per cent of the total edible oil available in terms of volume is retailed as a branded product. The edible oil industry in India is fragmented wherein 13 per cent of oil is sold as loose/unbranded and the rest consumers are shifting to branded oils, which bodes well for the organised players.

**Figure: Branded edible oil retail market in India (₹ Cr)**



The four key edible oils, palm, soya, mustard and sunflower constitute 85-88 per cent of the total consumption in India in terms of volume. Palm oil is primarily used by the large-scale food processing enterprises. It is also used in blended oils for domestic consumption. Palm and soybean are also being used by the HoReCa segment. India imports most of its palm oil consumption.

Soybean oil, mustard oil and sunflower oil is largely used for domestic consumption. The other oils include sesame oil, coconut oil, groundnut oil, rice bran oil amongst others. A gradual shift is being witnessed in favour of soft oils such as soyabean oil, sunflower oil and mustard oil. Palm oil witnessed a marginal decrease in FY 2020-21 with the pandemic-induced national lockdown shutting the HoReCa (hotels, restaurants, catering) segment. The favourable growth of economy has resulted in a high growth in consumption of packaged staples in the rural parts of India.

### Key factors driving growth

- Demand for high quality, safe and indulgent bakery and confectionery products are fuelling the sales growth of speciality fats and oils.
- Specialty fats and oils have helped the industry players in launching new processed foods products with superior quality and taste profiles.
- The market has witnessed a strong demand for specialty fats like premium bakery fats, frying oils, and confectionary fats. Therefore, growth

in bakeries and confectionary market in India and increasing consumption of packaged food, biscuits and snacks is driving the growth in the market.

- Indian edible oil players are seeking to capitalise and innovate on niche application areas in specialty fats and oils.

### Overview of Indian soya products market

Soya flour, a high protein flour, is produced from the soyabean extract being ground to flour after the oil has been extracted. Soya flour can be further processed into textured soy protein (TSP). TSP is essentially soya flour which has been processed and dried to give a substance with a sponge-like texture and is a good source of fibre and protein. TSP is sold in chunk and granule form. Other value-added products amongst the by-production of soybean oil extraction are soya flour, lecithin and soya sauce. These products are exported to Japan and Korea and are highly valued for their non-GMO origin.

### Market opportunity

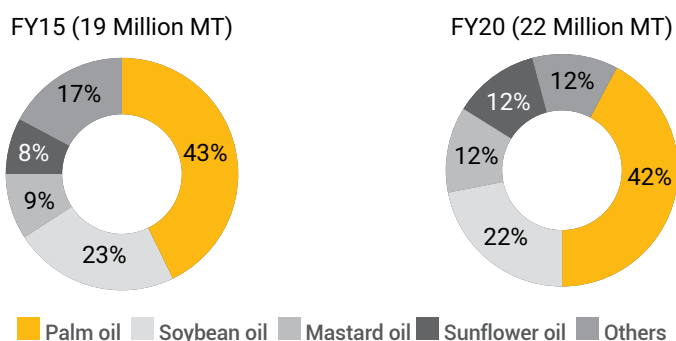
The Indian consumption growth story remains intact supported by various trends which includes changing demographics, urbanisation, growing middle class families and others. Various government initiatives have been implemented to increase the consumption of edible oils and food staples in India.

### Significant rise in packaged food demand in India:

The demand for packaged foods in India is experiencing a rapid growth. Certain food categories such as wheat flour and rice, which used to be predominantly sold in loose form, are being increasingly sold in packages. However, the penetration rate of packaged foods in India remains low, which provides significant potential for growth for packaged edible oil and food products. This is further supported by the favourable demographics and gradual expansion of modern retail including e-commerce and healthy eating trends.

### Market segmentation

Figure: Edible Oil Consumption – by Type (Volume)

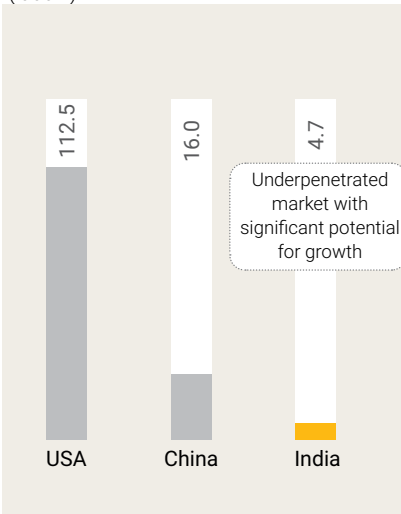


(Source: Technopak Research)



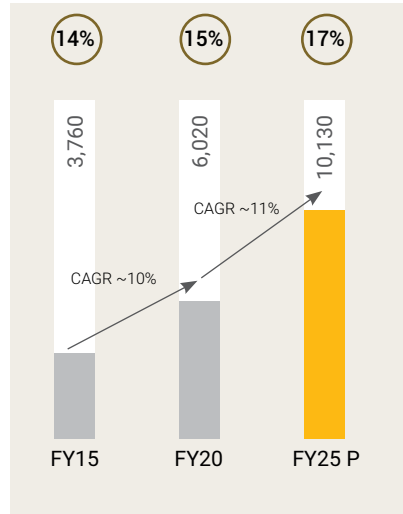
## Indian packaged food penetration compared to global economies

Annual per capita spend on packaged food ('000 ₹)



## India's packaged food retail market (₹ Billion)

○ % of total food & grocery retail market

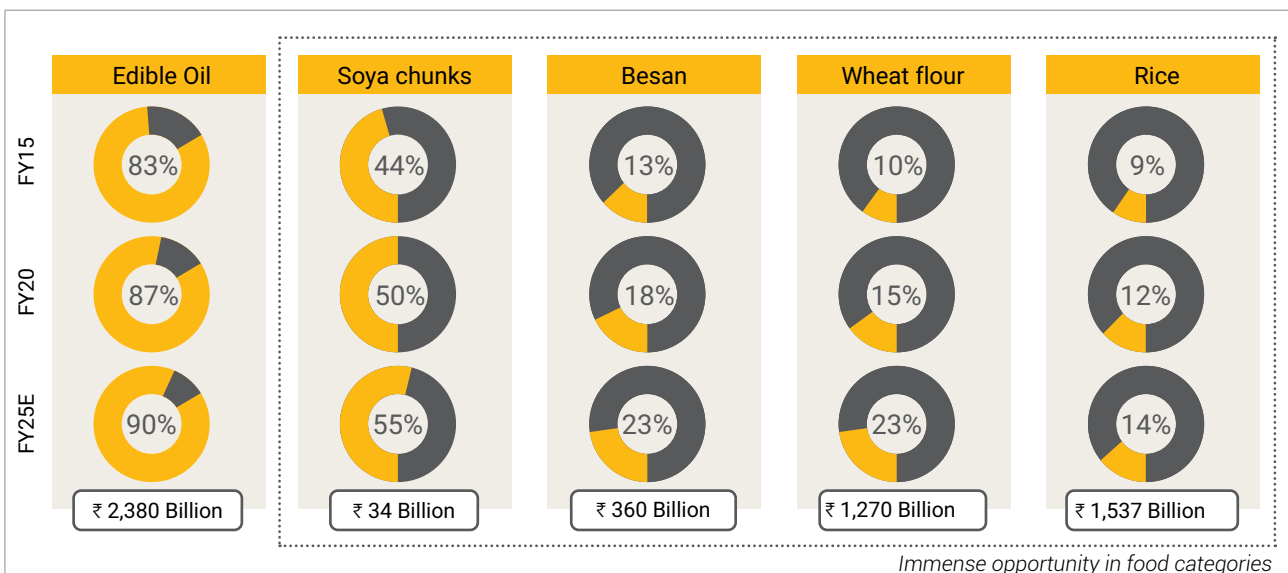


Note: The following charts show the packaged food under-penetration in India compared to the United States and China and also the historical and expected growth rate for the packaged food retail market in India.

(Source: Technopak report)

Shift of consumer preference to branded products resulting in immense potential market:

A number of packaged food categories such as salt and edible oil have witnessed significant increase in the overall branded product usage. Similar trends are expected in various other large packaged food categories such as wheat flour, rice, besan and soya chunks in the coming years.

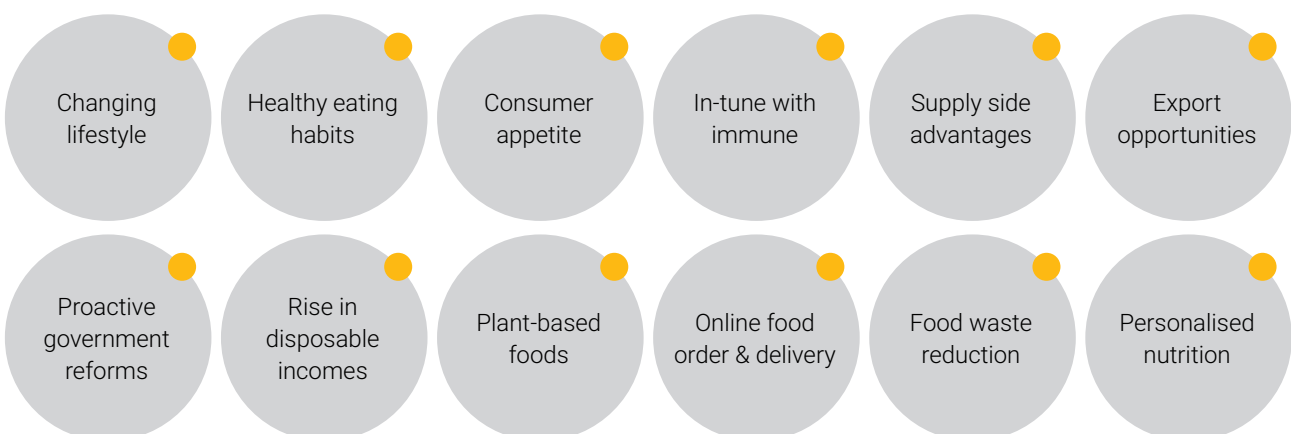


□ Market size in FY25E

Note: The percentages represent the market share of branded foods in each of these food categories.

(Source: Technopak report)

## Key trends catalysing the growth of Indian food industry



## Sectorial demand drivers

**Demographic dividend:** India is among the youngest in the world in terms of population. The median age in India is 28 years as against 38 in China and United States. A greater workforce will reinforce domestic demand in a sustainable way.

**Increasing population:** By 2027, India is expected to surpass China as the most populous country in the world as it is expected to add nearly 273 Million people to its population by 2050. India's population has grown from 715.4 Million in 1981 to 1.39 Billion in 2021.

**Increasing health awareness:** It is witnessed that people are becoming more health conscious and increasing awareness regarding the nutritional value of soyabean could catalyse demand.

**Growth of the animal feed market:** The Indian animal feed market is expected to attain a market size of US\$ 16.653Billion by 2025. This is expected to increase the demand of soyabean over the foreseeable future.

**Vegan revolution:** India has been witnessing a vegan revolution for the past couple of years. Increasing awareness, animal cruelty and environmental sustainability are expected to fuel the demand for soyabean products over the foreseeable future.

## Government initiatives

- **Production-linked incentive:** The other potential driver of the Company's prospects comprises the Production-Linked Incentive (PLI) scheme announced by the Indian government in 2020-21. The cumulative impact of H2 Tn of incentives over five years across 13 sectors is likely to be based on 5-10 per cent of revenues if output targets are addressed. The food processing sector is one of the shortlisted sectors for benefit. This announcement is as beneficial as it is nationally relevant: it addresses a likely decline in China's industrial labour force by 50 Million by 2030 as that country's population tapers (already down 28 per cent from peak); it capitalises on a steady increase in India's population during this period. The scheme is likely to add US\$ 144 Billion to FY 2026-27 sales and US\$ 70 Billion to GDP with net exports US\$ 55 Billion higher. Besides, the scheme is likely to add 2.2 Million jobs. The focus within the food processing industry (ready-to-eat/ready-to-cook,

marine products, processed fruits and vegetables, honey, desi ghee, mozzarella cheese, organic eggs and poultry meat) account for 34 per cent of India's food exports with India's share of global trade in these being nominal. Besides, only 3 per cent of India's food is processed, the scheme providing head room. The overall import of the scheme is expected to be considerably optimistic: it can potentially add US\$ 70 Billion of gross value-added and 1.7 per cent to FY 2026-27 GDP. Since a bulk of the production is likely to be exported, the country's trade deficit could shrink by US\$ 55 Billion with a net impact on the trade balance of 1.4 per cent of GDP

- According to the Union Budget 2022, the target for agricultural credit was enhanced to ₹18 Lakh Cr for 2022-23 from 16.50 Lakh Cr of this fiscal year to ascertain increased accessibility of credit to farmers and fuel the sectors like animal husbandry, dairy and fisheries.

- The Indian government has commenced Digital Agriculture Mission for 2021-25 for agriculture projects on the basis of new technologies like artificial intelligence, block chain, remote sensing and GIS technology, drones, robots and others.

- The government plans to provide irrigation benefit to 9.0 Lakh hectare of farmer land, drinking water supply for 62 Lakh people, 103 MW of Hydro, and 27 MW of solar power - the implementation of Ken-Betwa Link Project at an estimated cost of ₹44,605 Cr will be taken up.

- The Government of India approved a PLI scheme for the food processing sector with an incentive allocation of ₹10,900 Cr (US\$ 1,484 Million) over a period of six years commencing from FY 2021-22.

- In Union Budget 2022, the government announced to launch a scheme of public-private partnership (PPP) model with the involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of agri value chains for delivering digital and high-tech services to farmers in the upcoming years.

- For the next fiscal year, the government announced to allocate an estimated budget of ₹6,75,000 Cr for PM-KISAN, ₹15,500 Cr for the crop insurance scheme, ₹7,183 Cr for the Krishonnati Yojana, ₹10,433 Cr for the Rashtriya Krishi Vikas Yojana (RKVY) and about ₹1,500 Cr for Market Intervention Scheme-Price Support Scheme.

## Company overview

Incorporated in 1993, Kriti Nutrients Limited is committed in the business of processing soyabean, oil refining and the fabrication of soya-based products. The Company has evolved to be among the most trusted and respectable companies through continuous product quality and customer service.

The Company's state-of the art manufacturing facility is spread across 70149 square metres in Dewas. The manufacturing complex constitutes solvent extraction plants, vegetable oil refinery, lecithin plant, effluent treatment plant, fluidised bed boilers and an in-house tin and jar packaging facility. The plant is ISO-9001:2001-certified and manufactures products like soya oil and other soya-based products.

In FY 2021-22, the Company generated 84.70 per cent of its revenues from domestic sales and 15.30 per cent from exports. The Company generated its domestic revenues from B2C sales and export revenues from B2B customers, with whom the Company engaged in enduring relationships.

## Financial overview

**Revenues:** Revenue during the year stood at ₹756.23 Cr, grew by 9.20 per cent as against ₹692.51 Cr in FY 2020-21.

**Interest and finance costs:** Net interest and finance costs diminished by 182.29 per cent during the year.

**Profit after tax:** The Company reported a profit after tax of ₹12.31 Cr compared to ₹15.06 Cr in the previous year.

## Key ratios and numbers

Particulars	FY22	FY21
Turnover (₹ cr)	752.88	690.06
Debt-equity ratio	0.31	Nil
Return on equity (%)	12	16
Book value per share (₹)	22.45	20.16
Earnings per share (₹)	2.46	3.01

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## Business strategy and outlook

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The outlook of the business appears optimistic in view of the revenue growth that we reported in the last year, which should be sustained or grown across the foreseeable future at better margins. Moreover, the Company intends to develop products at superior margins that should grow volume and value.

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## Information and technology

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The Company invested substantially in information technology (IT) to increase operational efficiencies through the installation of softwares like SAP Enterprising Resource Planning System, CRM, HRM and Sales Force Mobility. SAP HANA was also installed to increase the process of business analytics and expand efficiencies. The Company will ascertain that it constantly invests in updated technologies to ascertain that the Company is poised to attain global excellence.

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## Internal control systems and their adequacy

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The Company's internal audit system has been constantly monitored and upgraded to ascertain that assets are protected; existing regulations are followed with and unsettled issues are promptly addressed. The audit committee reviews reports presented by the internal auditors on a regular basis. The committee keeps note of the audit observations and takes remedial measures, if necessary. It communicates constantly with statutory and internal auditors to ascertain that internal control systems are operating efficiently.

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## Human resources

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The Company believes that its skilled and trained workforce is the biggest asset that it possesses and is instrumental towards the achievement of organisational goals. The Company is dedicated to furnish them with skills, resulting the continuous growth of employees aligning them to endless technological upgradations. During the year under review, the Company conducted training programmes in various areas like technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 236 as on 31<sup>st</sup> March, 2022.

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## Cautionary statement

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The management discussion and analysis report containing the Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors. changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.



# NOTICE

NOTICE is hereby given that the **26th Annual General Meeting** of the Members of **Kriti Nutrients Limited** will be held on **Wednesday the 17<sup>th</sup> August, 2022 at 4.30 PM** through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purposes the Corporate Office of the Company situated at **8<sup>th</sup> Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.) 452010** shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

## ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit & Loss, Statement of Cash Flow, Change in Equity and notes thereto of the Company for the Financial Year ended 31<sup>st</sup> March 2022 and the reports of the Board of directors and Auditors thereon as on that date.
2. To consider and declare Dividend on the 5,01,03,520 Equity Shares of Re.1/- each for the Financial Year ended 31<sup>st</sup> March, 2022.
3. To appoint a director in place of **Mrs. Purnima Mehta** (DIN: 00023632) who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.

## SPECIAL BUSINESS

4. TO RATIFY THE REMUNERATION PAYABLE TO THE 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 the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the Members of the Company be and hereby ratify the payment of remuneration of Rs.35,000 (Rupees Thirty Five Thousand Only), plus applicable taxes and reimbursement of out of pocket expenses at actuals, if any to Mr. S.P.S Dangi, Cost Accountant, (Registration

No. 100004 as appointed by the Board of Directors on the recommendation of the Audit Committee of the Board, as Cost Auditor to conduct the audit of the Cost Records for the Financial Year ending 31<sup>st</sup> March, 2023;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

5. TO APPROVE THE TRANSACTIONS/CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES UNDER REGULATION 23 OF THE SEBI (LODR) REGULATIONS, 2015:

To consider and if thought fit, to convey assent or dissent to the following **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015 ("SEBI Listing Regulations") read with the provisions of section 188 read with section 185 of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Company's policy on Related Party Transactions, consent of the members of the company be and is hereby accorded to enter into transactions/ contracts / arrangement, in the ordinary course of its business and on arm's length basis, for purchase, sale or deal in the products, goods, stock in trade, Transfer of Resources including receiving/ providing loans and advances or such other transactions, on such terms and conditions as may be mutually agreed upon between the company and all related party for an amount upto Rs. **100 Crores (Rupees One Hundred Crore only)** in each financial year;

**RESOLVED FURTHER THAT** the Board of Directors of the company, jointly and/or severally, be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalize the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the interest of the company."

Date: 30<sup>th</sup> May, 2022

Place: Indore

**Kriti Nutrients Limited**

CIN: L24132MP1996PLC011245

**Registered Office: Mehta Chambers, 34 Siyaganj,**

**Indore-452007**

By order of the Board

**Raj Kumar Bhawsar**

Company Secretary

F7186

## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5th May, 2020 Circular No. 2/2021 dated 13th January, 2021 and Circular No. 2/2022 dated 5th May, 2022, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020 followed by Circular No. 2/2021 dated 13th January, 2021, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the MCA dated 8th April, 2020, 13th April, 2020, 5th May, 2020 13th January, 2021 and Circular No. 2/2022 dated 5th May, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, and independent agency for providing necessary platform for Video Conference/OAVM and necessary technical support as may be required. Therefore, the facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL. The Notice calling the AGM along with complete Annual Report has been uploaded on the website of the Company. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020; MCA Circular No. 17/2020 dated 13th April, 2020; MCA Circular No. 20/2020 dated 5th May, 2020; MCA Circular No. 2/2021 dated 13th January, 2021 and MCA Circular No. 2/2022 dated 5th May, 2022.
7. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company - <http://kritinutrients.com/> as soon as possible after the Meeting is over.
8. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website - <http://kritinutrients.com/>, websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL <https://www.evotingindia.com>. However, if any specific request received from the members for demanding of the physical copy of the Annual Report will be provided by the company but subject to time taken by the courier and Postal Department looking to the Covid-19.
9. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
10. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of

shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribe date. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Ankit Consultancy Private Limited, the Share Transfer Agent (in case of shares held in physical mode) and to the concerned depositories. (in case of shares held in demat mode)

A Resident individual shareholder with PAN and who's not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@kritiindia.com](mailto:cs@kritiindia.com) by 11:59 p.m. IST on or before 11<sup>th</sup> August, 2022. Shareholders are requested to note that in case their PAN is not registered, the taxes will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@kritiindia.com](mailto:cs@kritiindia.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before 11<sup>th</sup> August, 2022.

11. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.

12. Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 11<sup>th</sup> August, 2022 to Wednesday, 17<sup>th</sup> August, 2022 (both days inclusive) for the Annual General Meeting and ascertainment for entitlement of payment of dividend to the members whose names appear in the Register of members and the records of the beneficiaries of the CDSL and NSDL on the date of the Annual General Meeting.

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 **10<sup>th</sup> August, 2022, (Wednesday)**.

13. CS Ishan Jain, Practicing Company Secretary (F.R.No. S2021MP802300, M. No. FCS 9978 & 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 at the AGM and remote e-voting process in a fair and transparent manner.

14. 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 at its email ID [cs@kritiindia.com](mailto:cs@kritiindia.com) so that the information required may be made available at the Meeting.

15. The Members are requested to:

- a) Intimate changes, if any, in their registered addresses immediately.
- b) Quote their ledger folio number in all their correspondence.
- c) Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company

16. Members are requested to notify immediately any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id [investor@ankitonline.com](mailto:investor@ankitonline.com), [compliance@ankitonline.com](mailto:compliance@ankitonline.com) to receive the soft copy of all communication and notice of the meetings etc., of the Company.

17. The report on the Corporate Governance and Management Discussion and Analysis also form part to the Board's Report.

18. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 26<sup>th</sup> AGM. Members seeking to inspect such documents can send an email to [cs@kritiindia.com](mailto:cs@kritiindia.com).

19. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company is in process to transfer the equity shares in respect of which (Dividend year 2014-15) dividend has not been claimed encashed for 7 or more consecutive years to the Investor Education and Protection Fund Authority (IEPF) of the Central Government. The Company has sent letters to the concerning shareholders whose dividend has not been claimed/encashed for 7 or more consecutive years. The details of such shareholders are posted on the website of the Company at <http://kritinutrients.com/>. Please note that the shares so transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.



20. As per SEBI Circular dated 20<sup>th</sup> April, 2018 such shareholders holding shares of the company in the physical form are required to provide details of the Income Tax Permanent Account No. and Bank Account Details to the Share Transfer Agent of the Company, Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id investor@ankitonline.com, compliance@ankitonline.com.
21. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the company's RTA.
22. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
- **For shares held in electronic form:** to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.
  - **For shares held in physical form:** to the Company's RTA in prescribed Form ISR -1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said form can be downloaded from the Members' Reference available on the Company's website <http://kritinutrients.com> / under Standard documents for Investors and is also available on the website of the RTA.
23. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Standard documents for Investors available on the Company's website <http://kritinutrients.com/> and is also available on the website of the RTA. It may be noted that any service request can be processed only after the folio is KYC Compliant.
24. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
25. Due dates for transfer of unclaimed/unpaid dividends and the amount remained unclaimed which may be transferred if continuing remain unpaid and or the balance amount if claimed by the shareholders for transfer thereafter the same to IEPF are as under:

F.Y. Ended	Declaration Date	Due Date for transfer to IEPF	Amount remains unpaid/unclaimed as at 31.03.2022 (Rs.)
2014-15	24/09/2015	31/10/2022	2,39,668.40
2015-16	11/08/2016	18/04/2023	2,33,745.00
2016-17	12/09/2017	19/10/2024	2,53,411.14
2017-18	31/07/2018	12/09/2025	3,89,633.62
2018-19	14/08/2019	19/09/2026	2,24,437.32
2019-20	08/08/2020	13/09/2027	1,89,599.58
2020-21	07/08/2021	12/09/2028	1,85,172.28
		<b>TOTAL</b>	<b>17,15,667.34</b>

## 26. Voting through electronic means

Members are requested to carefully read the below mentioned instructions for remote e-voting before casting their vote.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on 14<sup>th</sup> August, 2022 (Sunday) and ends on 16<sup>th</sup> August, 2022 (Tuesday) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10<sup>th</sup> August 2022 (Wednesday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <Kriti Nutrients Limited> on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - e. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - f. Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@kritiindia.com](mailto:cs@kritiindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **Instructions for Shareholders Attending the AGM Through VC/OAVM & E-Voting During Meeting Are As Under:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@kritiindia.com](mailto:cs@kritiindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@kritiindia.com](mailto:cs@kritiindia.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25thFloor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

4. Members 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).
5. Any person, who acquires shares of the Company and become member of the Company after mailing of the

notice and holding shares as on the cut-off date i.e. 10<sup>th</sup> August, 2022 (Wednesday) may obtain the login ID and password by sending a request at [investor@ankitonline.com](mailto:investor@ankitonline.com)

6. 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 i.e. 10<sup>th</sup> August, 2022 (Wednesday) only shall be entitled to avail the facility of remote e-voting as well as e- voting at the AGM.
7. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
8. The Results of the voting on the resolutions alongwith the report of the Scrutinizer shall be declared and placed on the website of the Company- <http://kritinutrients.com> and on the website of CDSL 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 Ltd.
9. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:  
**M/s. Ankit Consultancy Pvt. Ltd.**  
60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010  
Tel: 0731-4281333,4065797/99, E-mail: [investor@ankitonline.com](mailto:investor@ankitonline.com), [info@ankitonline.com](mailto:info@ankitonline.com)
11. As the 26<sup>th</sup> AGM is being held through VC, the route maps are not required to be annexed to this Notice.



DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT/CONTINUANCE OF APPOINTMENT AT FORTH COMING ANNUAL GENERAL MEETING

Name of the Director	Mrs. Purnima Mehta
DIN	00023632
Date of Birth	25.05.1960
Date of Appointment	26/12/2009
Qualification	B.A. (Hons), PGDBM
Expertise in specific area	Accounts, Purchase, HR and Administration
List of Outside Directorship held	Sakam Trading Private Limited, Kriti Industries (India) Limited, Kriti Specialities Private Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Chairperson:- 1. CSR Committee 2. Stakeholder Relationship Committee Member:- Audit Committee
No. of Equity Shares held	220783(0.44%)

### Brief Resume of Mrs. Purnima Mehta

#### Mrs. Purnima Mehta

Mrs. Purnima Mehta is one of the key founder and promoter of the company. Mrs. Mehta is B.A. (Hons) in Economics, PGDBM and holding a rich experience in trade and industry. Mrs. Mehta has a vast knowledge and experience in Accounts & Finance, Purchase, IT, HR and Administration.

She is also a member in audit Committee, Stakeholders Relationship Committee and CSR Committee of the Board.

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4:

Members are hereby informed that on the recommendation of the Audit Committee, Board of Directors of your Company appointed Mr. S.P.S Dangi, Cost Accountant (Registration No. 100004), Cost Accountant, Indore as Cost Auditors of the Company for the year 2022-23 on the remuneration of Rs. 35000/-, plus applicable taxes and reimbursement of out of pocket expenses if any, at actual basis.

Consent Cum Declaration has been received from the above Cost Auditor regarding his consent and eligibility for appointment as Cost Auditor will be available for inspection of the Members electronically during the 26<sup>th</sup> AGM. Members seeking to inspect such documents can send an email to cs@kritiindia.com, during business hours up to the date of the Meeting.

As per Section 148(3) read with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders in General Meeting. Thus, the Members approval is solicited for the resolution set out in Item No. 4 of the Notice by way of an Ordinary Resolution.

None of the Directors / Key Managerial personnel/ their relatives is interested in the above resolution.

### ITEM NO. 5

Details of the proposed RPTs between the Company and Kriti Industries (India) Limited (KIIL) including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No.	Description	Details of proposed RPTs between the Company and Kriti Industries (India) Limited (KIIL)
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
	a. Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	The Company (KNL) and Kriti Industries (India) Limited (KIIL) are under the control of common KMP's.  KIIL is engaged in the business of manufacturing of premium quality piping products and solution, accessories, gas piper, telecom ducts, submersible pipes and casing pipes. These comprised Poly Vinyl Chloride (PVC) and Poly Ethylene (PE) used in downstream applications of potable water supply, irrigation, building construction and infrastructure  KIIL is a Related Party of the Company, as on the date of this Notice (being fellow subsidiary of Kriti Nutrients Limited)
	b. Type, material terms, monetary value and particulars of the proposed RPTs.	The Company and KIIL have entered into/proposed to enter into transactions w.r.t. Transfer of Resources, purchase, sale or other services for an aggregate value not exceeding Rs. 100 crore (Rupees One Hundred Crores).
	c. Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	13.28% on the basis of the proposed transaction of Rs. 100.00 Crores and the audited turnover as on 31.03.2022.
2.	Justification for the proposed RPTs.	The entered/proposed to enter related party transactions will help the KIIL/KNL for smooth functioning of the regular and day to day business transactions and w.r.t. transfer of resources it will help to maintain the liquidity levels of KIIL with low cost of interest as compared to Banks.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	
	a. Details of the source of funds in connection with the proposed transaction.	Own share capital / Internal accruals and liquidity of the Company.

S. No.	Description	Details of proposed RPTs between the Company and Kriti Industries (India) Limited (KIIL)
	b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:  - Nature of indebtedness,  - Cost of funds and  - Tenure.	Not applicable.
	c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Inter-corporate Deposits given aggregating to Rs.100 Crores. <ul style="list-style-type: none"> <li>• Interest rate: 7% p.a., subject to the provisions of Section 186 of the Companies Act, 2013</li> <li>• Repayment Schedule/Tenure: On demand</li> <li>• Nature: Short-term</li> <li>• The above inter-corporate deposits are under unsecured category.</li> </ul>
	d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet working capital requirements of KIIL.
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	KIIL is paying interest as per the provisions of Section 186 of the Companies Act, 2013 which is deemed to be at Arm Length Basis. However, the said transaction does not require any valuation or other external report.
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Mr. Shiv Singh Mehta, Chairman & Managing Director, Mrs. Purnima Mehta Whole-time Director and Shri Saurabh Singh Mehta, the directors of the Company also a Director on the Board of KNL. Further that and Ms. Devki Mehta being the relative of the aforesaid directors/promoters, their interest or concern or that of their relatives, are limited only to the extent of their shareholding in the Company and KIIL.
6.	Any other information that may be relevant.	N.A.

None of the other Directors, KMPs and/ or their respective relatives are in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 5 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 5 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 5 of the Notice, whether the entity is a Related Party to the particular transaction or not.

Date: 30th May, 2022  
Place: Indore

**Kriti Nutrients Limited**  
CIN: L24132MP1996PLC011245  
**Registered Office: Mehta Chamber, 34 Siyaganj,**  
Indore-452007

By order of the Board

**Raj Kumar Bhawsar**  
Company Secretary  
F7186



# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their **26<sup>th</sup> Annual Report** on the affairs of the Company together with the Audited Financial Statements for the Financial Year ended on **31st March, 2022**.

## FINANCIAL HIGHLIGHTS

The summarized financial highlights for the year vis-a-vis the previous year are as follows:

(₹ In Lakhs)		
PARTICULARS	31.03.2022	31.03.2021
Revenue from Operations	75,288.02	69,005.57
Other Income	335.38	245.07
<b>Total Revenue</b>	<b>75,623.40</b>	<b>69,250.63</b>
Operating Expenses	73,356.28	66,786.85
<b>EBITDA</b>	<b>2,267.12</b>	<b>2,463.78</b>
Finance Cost	210.55	93.84
Depreciation	373.41	341.65
<b>Profit/ (Loss) before Exceptional Items and Tax</b>	<b>1,683.16</b>	<b>2,028.29</b>
Exceptional Items	0.00	0.00
Profit/ (Loss) before Tax	1,683.16	2,028.29
Tax Expenses		
(a) Current and Earlier year Taxes	455.36	539.40
(b) Deferred Tax	(2.72)	(16.78)
<b>Profit/ (Loss) after Tax</b>	<b>1,230.52</b>	<b>1,505.67</b>
Profit/(Loss) from discontinued operations	0.00	0.00
Tax expenses on discontinued operations	0.00	0.00

## OPERATIONAL PERFORMANCE

During the Financial Year ended on 31st March, 2022, your Company has achieved an operational turnover of Rs.75,288.02/- Lakhs as compared to an operational turnover of Rs.69,005.57/- Lakhs in the previous Financial Year, and the Profit after Tax is Rs.1,230.52/- Lakhs as compared to Profit after Tax of Rs.1,505.67/- Lakhs in the previous Financial Year.

## IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic continued to be a global challenge creating disruption across the world. While the global economy showed early signs of recovery in the beginning of 2021, the repeated waves of COVID infection overwhelmed the Country's health infrastructure. The partial lockdown situation in the Country during most part of the financial year under review led to rise in inflation impacting recovery

especially across emerging economies and dented the pace of economic activity.

The pandemic impacted the supply chain in both positive and negative ways. On one hand, it has increased financial pressure on a lot of companies. On the other hand, it has accelerated some key transformations within the manufacturing sector viz. increasing focus on health care, new products development/launching, contactless delivery, technology integration to drive efficiencies etc. Digital solutions and usage of technology has become essential for making supply chains more robust, driving end-to-end visibility, ensuring data security and real-time product traceability, and improving government industry collaboration as we are preparing for the future.

Despite these challenges, we also saw many tailwinds in our business. Opening of the economy spurred growth in all our end markets. Leveraging on the trends emerging from the

external environment, we continue to enhance our focus on delivering value through customised integrated solutions, new customer acquisitions and operational excellence and drive technology investments to maintain profitable growth and improve scalability of our businesses in the prevalent economic scenario.

## DIVIDEND

Your directors pleased to recommend a dividend @ 18% (Rs.0.18/-per equity shares of Re. 1/- each on 5,01,03,520 Equity Shares) for the Financial Year 2021-22 aggregating to Rs.90.19 Lakhs (Previous year @ 18% [Rs.0.18 per equity shares of Re. 1/- each on 50103520 Equity Shares aggregating to Rs.90.19 Lakhs]) payable to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date.

## CHANGE IN CONTROL AND NATURE OF BUSINESS

There is no change in control and nature of business activities during the period under review.

## BUSINESS TRANSFER

There is no transfer of business during the period under review.

## TRANSFER TO RESERVES

During the year, the Company has transferred Rs. 125 Lakhs (Previous year Rs. 150 Lakhs) to the general reserves.

## SHARE CAPITAL & LISTING OF SHARES

The paid-up Equity Share Capital as on 31<sup>st</sup> March 2022 was Rs. 501.04 Lakhs divided into 5,01,03,520 equity shares of Re. 1/- each. There is no change in Equity Share Capital of the Company during the year, the shares of the Company are listed and regularly traded at the trading platform of BSE Ltd.

Board of Directors of your company has passed the Board Resolution related to additional listing of its 50103520 equity shares of Re. 1/- each on the Main Board of National Stock Exchange Limited and your company is in process to file an application to the National Stock Exchange of India Limited for seeking approval for listing of the shares.

## DEPOSITS

Your Company has not accepted deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unpaid or unclaimed deposits as on 31<sup>st</sup> March, 2022. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

S. No.	Particulars	Amt in ₹
1.	Details of Deposits accepted during the year	Nil
2.	Deposits remaining unpaid or unclaimed at the end of the year	Nil
3.	Default in repayment of deposits	N.A.
	At the beginning of the year	
	Maximum during the year	
	At the end of the year	
4.	Deposits not in compliance with law	N.A.
5.	NCLT/ NCLAT orders w.r.t. depositors for extension of time and penalty imposed	N.A.

There are no deposit which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 and there rules made thereunder.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### DIRECTORS

**Directors liable to retire by rotation seeking re-appointment:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, **Smt. Purnima Mehta** (DIN: 00023632) Director of the Company as director liable to retire by rotation who is eligible for re-appointment.

**Managing and Whole-time Directors:**

Following directors have been re-appointed by passing resolutions at the 25<sup>th</sup> Annual General Meeting held on 7<sup>th</sup> August, 2021:

1. **Shri Shiv Singh Mehta** (DIN: 00023523) as the Chairman and Managing Director of the company for a further period of 5 (Five) years w.e.f. 12<sup>th</sup> January 2022 to 11<sup>th</sup> January, 2027 and for attaining the age of 70 years during the tenure.
2. **Shri Saurabh Singh Mehta** (DIN: 00023591) as the Whole-time Director of the company for a further period of 5 (Five) years w.e.f. 1<sup>st</sup> August, 2022 to 31<sup>st</sup> July, 2027.

### INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under

Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Board considered and formed an opinion that the independent directors meet the criteria of independence as required under the Companies Act, 2013 and the SEBI (LODR) Regulations 2015. All the Independent Directors have also registered themselves with Independent Directors' Databank.

## KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel's (KMPs) of the Company during the period under review:

- i. Mr. Shiv Singh Mehta (DIN 00023523), Chairman and Managing Director,
- ii. Mr. Saurabh Singh Mehta (DIN 00023591), Whole-time Director,
- iii. Mr. Shashank Belkhede, Chief Financial Officer,
- iv. Mrs. Swati Tiwari, Company Secretary and Compliance Officer (appointed w.e.f. 24.03.2021 and resigned w.e.f. 16th August, 2021),
- v. Mr. Raj Kumar Bhawsar, Company Secretary and Compliance Officer (appointed w.e.f. 16th August, 2021).

There is no change in the KMPs of the Company except as stated above during the period under review.

## BOARD EVALUATION

The Board of Directors of the Company is committed to get its performance evaluated in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee (NRC) has established the process for evaluation of performance of Directors including Independent Directors, the Board and its Committees. The evaluation of performance of Executive Directors is done by Independent Directors.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/ continuation of Directors on the Board shall be based on the outcome of evaluation process.

During the year under review as per the policy for the performance evaluation, formal evaluation of performance of Directors including Independent Directors, the Board and its Committees was made by the Independent Directors and the NRC in their respective meetings and the evaluation result was placed before the Board for its information and consideration.

## MEETINGS

During the year total four (4) Board 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/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## NOMINATION & REMUNERATION POLICY

The Company has a policy for selection and appointment of Directors, KMPs and Senior Management Personnel and for determination of their remuneration. The salient features of Nomination & Remuneration Policy is stated in the Corporate Governance Report. The Nomination & Remuneration Policy duly approved by the Board has been posted on the Company's website <http://kritinutrients.com/>

## COMMITTEES OF THE BOARD:

In accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has the following four (4) committees:

- i). Audit Committee
- ii). Nomination and Remuneration Committee
- iii). Stakeholders' Relationship Committee
- iv). Corporate Social Responsibility Committee

Apart from the aforesaid committees, the Company has also constituted Internal Complaint Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act, 2013. A detailed note on the Committees is provided in the Corporate Governance Report.

## HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

During the period under review, the Company did not have any Subsidiary, Associate Company and Joint Venture. Therefore, disclosure in the Statement pursuant to section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC-I is not applicable to the company. However, your company is a subsidiary of Sakam Trading Private Limited which holds about 52.09% of the total paid-up capital of the company.

## RELATED PARTY TRANSACTIONS

During the period under review, all related party transactions that were entered on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large. Since, there is no material related party transactions in the company. Therefore, the company is not required to annex Form AOC-2 with this report.



Separate disclosure as per regulation 34(3) of SEBI (LODR) Regulations, 2015 is made in the report. The policy on Related Party Transactions duly approved by the Board on the recommendation of the Audit Committee has been posted on the Company's website <http://kritinutrients.com/>.

Your Board is proposing to pass an Ordinary Resolution under Regulation 23 of the SEBI (LODR) Regulations, 2015 read with section 188 of the Companies Act, 2013 for entering into transactions for transfer of resources etc. with the related Parties.

## CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on CSR activities is attached as "Annexure A" and forms a part of this Report. The salient features of CSR policy are stated in the aforesaid Report on CSR activities. The policy on CSR duly approved by the Board has been posted on the Company's website <http://kritinutrients.com/>.

## DISCLOSURE FOR PARTICULARS OF EMPLOYEES

The information required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended in respect of employees of the Company forming part of Directors' Report is given in "Annexure B" to this Report. A statement of top-10 employees in terms of remuneration drawn as per rule 5(2) read with rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended may be obtained by request to the Company Secretary of the Company at [cs@kritiindia.com](mailto:cs@kritiindia.com).

None of employees are in receipt of the remuneration in excess of Rs. 102.00 Lakh or more per annum or Rs. 8.50 Lakhs per month for part of the year. Also, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole-time director. Except Shri Saurabh Singh Mehta, as he is drawing remuneration in excess of that drawn by Shri Shiv Singh Mehta, Chairman and Managing Director of the Company.

Further, Shri Shiv Singh Mehta, Chairman and Managing Director is withdrawing remuneration from the company and from the other Company cumulatively not exceeding the higher maximum limit admissible from any one of the companies. None of the employees hold two percent of the equity shares of the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules,

2014, is attached as "Annexure C" and forms part of this Report.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of the Loans, Guarantees and Investment are given in the notes to the Financial Statements. Hence no further disclosure is being given here to avoid repetition.

## CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 along with the requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance is appended and forms a part of this report alongwith the certificate of Disqualification of Directors received from Practicing Company Secretary as the Annexure 1 and 2 of the Corporate Governance Report.

## RISK MANAGEMENT

The Company has a well-defined process to ensure the risks are identified and mitigation steps are put in place. The Company's Risk Management process focus on ensuring that these risks are identified on a timely basis and reasonably addressed. The Audit Committee oversees financial risks and controls. Major risks are identified by the businesses and functions and these are systematically addressed through mitigating actions on continuing basis.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for –

- A. adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- B. direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Details of the Vigil Mechanism Policy are made available on the Company's website <http://kritinutrients.com/> and have also been provided as "Annexure D" of part of this Report.

## 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: -

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) 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, 2022 and of the profit of the Company for that period;
- c) 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;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## INTERNAL CONTROL AND THEIR ADEQUACY

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been established in the Company and that such controls are adequate and operating effectively. The Company has laid down certain guidelines and processes which enables implementation of appropriate internal financial controls across the organization. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Statutory Auditors in their audit report have opined that these controls are operating effectively. The Audit team develops an audit plan based on the risk profile of the business activities. The annual internal audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors.

The Board has implemented systems to ensure compliance of all applicable laws. These systems were effective and operative. At every quarterly interval, the Managing Director and the Company Secretary place before the Board a certificate certifying compliance of laws and regulations as applicable to the business and operations of the Company after obtaining confirmation from all business unit and functional heads responsible for compliance of such applicable laws and regulations.

During the Financial Year, no frauds were reported by auditors in terms of section 143(12) of the Companies Act, 2013.

## ANNUAL RETURN

The Annual Return in Form MGT-7 of the Company as at March 31, 2022 is available on the Company's website and can be accessed at <https://kritinutrients.com/annual-return>

## AUDITORS AND THEIR REPORT

The shareholders at their 25th Annual General Meeting (AGM) held on 7th August, 2021 upon the recommendation of Audit Committee and Board of Directors of the company had appointed of M/s M Mehta & Co, Chartered Accountants (FRN: 000957C), Indore as Statutory Auditors to hold office for a term of 5 consecutive years from the conclusion of 25th AGM till the conclusion of 30th AGM to be held in the year 2026 on such remuneration as may be mutually decided by the Auditors and Board of Directors of the company as per the provisions of section 139 of the Companies Act, 2013. As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors Report and the Notes on financial statement for the year 2021-22 referred to in the Auditor's Report are self-explanatory and does not contain any qualification, reservation or adverse remark, therefore, do not call for any further comments.

## COST AUDITOR

Your company is maintaining the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is required to be maintained by the Company and accordingly such accounts and records are made and maintained. In pursuance of Section 148 of the Companies Act, 2013, your Directors appointed Mr. S.P.S. Dangi, Cost Accountant, (FRN 100004) Indore to conduct the Audit of the Cost Accounting records for the financial year 2021-22.

The Board on the recommendation of the Audit Committee, at its meeting held on 30th May, 2022 has appointed Mr. S.P.S. Dangi, Cost Accountant, (FRN 100004) as the Cost Auditors to conduct the Audit of the Cost Accounting records for the financial year 2022-23. As required under section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Therefore, the Board of Directors recommend the remuneration of Rs. 35000/- payable to Cost Auditors for the financial year 2022-23 for the ratification by the Members in the ensuing Annual General Meeting. The Company has filed the Cost Audit Report for the year 2020-21 to the Central Government.

### 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 Board had appointed M/s. Ajit Jain & Co., Company Secretaries, Indore to conduct Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2022 in Form MR-3 is attached as “Annexure E” and forms part of this Report. Report of the Secretarial Auditor does not contain any qualification, reservation or adverse remark, therefore, do not call for any comments. Further, the Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 30<sup>th</sup> May, 2022 has re-appointed M/s. Ajit Jain & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2022-23.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”) notified by the Ministry of Corporate Affairs, the unclaimed and unpaid dividends amount for the year 2014-15 is required to be transferred to IEPF within the due date as specified in the Notice of the AGM and shares of the respective shareholders on which no dividend is claimed for a consecutive 7 (Seven) years will also be transferred to IEPF Authority as per the requirement of the IEPF rules on due date. The details related to dividend remains unpaid-unclaimed in the Company has been given in the Corporate Governance Report attached with the annual report of the Company. The details of the nodal officer appointed by the company under the provisions of IEPF is

available on the Company's website at <http://kritinutrients.com/>

An amount of Rs. 1,89,885/- in respect of unpaid/unclaimed dividend declared for the FY 2013-2014 was transferred to the Investor Education and Protection Fund Authority as well as 57,710 equity shares of face value of Rs. 1 each, in respect of dividend remained unpaid/unclaimed for a consecutive 7 (Seven) years by the Company during the year ended 31<sup>st</sup> March, 2022.

The investors may claim their unpaid dividend and the shares from the IEPF Authority by applying in the Form IEPF-5 and complying with the requirements as prescribed.

### SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received during the year:

### PROVISION OF VOTING BY ELECTRONIC MEANS THROUGH REMOTE E-VOTING AND E-VOTING AT THE AGM:

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through Video Conferencing/OAVM and no physical meeting will be held and your company has made necessary arrangements with CDSL to provide facility for remote e-voting and e-voting at AGM. The details regarding e-voting facility is being given with the notice of the Meeting.

### GENERAL

Your Directors state that during the year under review:

- a) The Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- b) Neither the Managing Director nor the Whole-time Directors receive any remuneration or commission from its subsidiary.
- c) The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.
- d) There have been no material changes and commitments affecting the financial position of the Company which have occurred between financial year ended on



31st March, 2022, to which the financial statements relate and the date of this report.

- e) The company has not filed any application or there is no application or proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review;
- f) There is no requirement to conduct the valuation by the bank and Valuation done at the time of one-time Settlement during the period under review.
- g) There are no voting rights exercise by any employee of the Company pursuant to the section 67(3) read with the Rule 16 of the Companies (Share Capital and

Debenture) Rules, 2014.

## ACKNOWLEDGEMENT

Your Directors place on record, their sincere appreciation and gratitude for all the cooperation extended by Government Agencies, Bankers, Financial Institutions, Business Associates and Shareholders. The Directors also record their appreciation for the dedicated services rendered by all the Executive Staff and Workers of the Company at all levels in all units and for their valuable contribution in the working of the Company.

For and on behalf of the Board of Directors

Date: 30th May, 2022  
Place: Indore

**Shiv Singh Mehta**  
Chairman and Managing Director  
(DIN: 00023523)

## ANNEXURE - A

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

The Policy lays down the guiding principles that shall be applicable to the CSR projects / programme / activities of the Company.

The Board of Directors approved this Policy, on the basis of the recommendations of the CSR Committee.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Purnima Mehta Director	Chairperson	1	1
2.	Saurabh Singh Mehta Whole-time Director	Member	1	1
3.	Rakesh Kalra Independent Director	Member	1	1

- Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company at – [www.kritinutrients.com](http://www.kritinutrients.com).
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – **Not Applicable**.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
--------	----------------	--	---

NIL

- Average net profit of the company as per section 135(5) – **Rs. 2,319.42 Lakhs**
- 2% of average net profit of the company as per section 135(5) – **Rs. 46.39 Lakhs**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **NIL**
  - Amount required to be set off for the financial year, if any – **NIL**
  - Total CSR obligation for the financial year (7a+7b-7c) – **Rs. 46.39 Lakhs**
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In Lakhs)	Amount Unspent (Rs. In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
9.85	36.60	30.04.2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (Rs. In Lakhs).	(8) Amount spent in the current financial year (Rs. In Lakhs).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in Lakhs).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Promoting Education etc.	(ii)	Yes	M.P.	Indore/ Dewas	3 Years	18.60	0.00	-	Yes/No	-	-
2.	Health Care etc.	(i)	Yes	M.P.	Indore/ Dewas	3 Years	18.00	0.00	-	Yes/No	-	-
	<b>Total</b>						<b>36.60</b>	<b>0.00</b>				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (Rs. In Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
							Name.	CSR Registration Number
1	Promoting Education (Emergency Relief COVID-19)	(ii) Promoting Education	No	Delhi, UP	4.00	No	SOS Childrens Village	CSR00000692
2	Relief during COVID 19	(i) Promoting Health Care	Yes	Indore, MP	0.80	Yes	-	-
3	Promoting Health care by distribution of Covid Home Isolation Medicines Kit	(i) Promoting Health Care	No	Mumbai, MH	5.00	No	Samta Purushottam Agrawal Memorial Foundation	CSR00002029
4	Relief during COVID 19	(vi) Measure for the benefit of armed forces veterans	Yes	Bhopal	0.05	Yes	-	-
	<b>Total</b>				<b>9.85</b>			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 9.85 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	46.39
(ii)	Total amount spent for the Financial Year	9.85
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-



9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.in Lakhs)	Amount spent in the reporting Financial Year (Rs. In Lakhs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. In Lakhs)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2020-21	36.51	NIL	NIL	NIL	NIL.	36.51
	<b>Total</b>	<b>36.51</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>	<b>36.51</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (Rs. In Lakhs).	Amount spent on the project in the reporting Financial Year (Rs in Lakhs).	Cumulative amount spent at the end of reporting Financial Year. (Rs. In Lakhs)	Status of the project - Completed /Ongoing.
1	FY31.03.2021_1	Promoting Education etc.	2020-21	3 Years	18.00	-	0.00	0.00
2	FY31.03.2021_2	Health Care etc.	2020-21	3 Years	18.51	-	0.00	0.00

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not applicable.

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) - NA

(b) Amount of CSR spent for creation or acquisition of capital asset - NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).-The Company endeavoured to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the amount on CSR activities in accordance with the statutory requirements.

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

Purnima Mehta  
Chairperson CSR Committee&Director  
(DIN: 00023632)

## ANNEXURE – B

### INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31STMARCH, 2022.

**(A) Particulars of Employees as per [Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

- (i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2021-22.

S. No.	Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees (in times)
1	Mr. Shiv Singh Mehta <sup>1</sup>	7.51
2	Mr. Saurabh Singh Mehta	38.48

- (ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer and Company Secretary in the financial year 2021-22:

S. No.	Name of Director /KMPs	Designation	% increase in remuneration
1	Mr. Shiv Singh Mehta <sup>1</sup>	Chairman and Managing Director	N.A.
2	Mr. Saurabh Singh Mehta	Whole-time Director	(15.30%)
4	Mr. Shashank Belkhede <sup>2</sup>	Chief Financial Officer	N.A.
3	Mrs. Swati Tiwari <sup>3</sup>	Company Secretary	N.A.
4	Mr. Raj Kumar Bhawsar <sup>4</sup>	Company Secretary	N.A.

<sup>1</sup>Mr. Shiv Singh Mehta is also Chairman and Managing Director of the Kriti Industries (India) Limited and drew remuneration over there in previous years within the permissible limits. However, in this FY, he drew salary and perquisites over there and commission from Kriti Nutrients Limited within the permissible limits.

<sup>2</sup>Mr. Shashank Belkhede appointed w.e.f. 01.11.2020.

<sup>3</sup>Mrs. Swati Tiwari appointed w.e.f. 24.03.2021 and ceased w.e.f. 16.08.2021.

<sup>4</sup>Mr. Raj Kumar Bhawsar appointed w.e.f. 16.08.2021.

- (iii) The percentage increase in the median remuneration of employees in the financial year 2021-22 was 10%.
- (iv) There were 236 permanent employees on the rolls of the Company as on 31stMarch, 2022.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase in Average salary of employees other than KMPs for Financial Year 2021-22 has given in point no. (A) (iii) above.

The increase in the salary of KMPs for Financial Year 2021-22 has given in point no. (A) (ii) above.

The increase in remuneration is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance.

There were no exceptional circumstances for the increase in managerial remuneration in comparison to remuneration of other employees.

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

## ANNEXURE C

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 AND RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

#### A. Conservation of Energy

1) Steps taken or impact on conservation of energy:

1. Replaced 12 nos Worm reduction gearboxes by Helical inline.
2. Replaced Insulation where hot spots identified (approx. saving of 0.5% in annual coal consumption).
3. Installed water jet vacuum system using water as motive instead of steam resulting saving of steam/coal approx. 2.5%.

2) Steps taken by the company for utilizing alternate sources of energy:

Approx. Rs. 16.75 Lakhs unit used from solar power by open power supply.

3) Capital investment on energy conservation equipment:

Approx. Rs. 35 Lakhs

4) Installed VFD 14 Nos. for electrical energy conservation.

5) Replaced high energy efficiency motor 7 Nos. from old low energy efficiency motor.

6) 3 PHE installed for heat recovery from refined oil- steam saving by 3.5 %

#### B. Technology Absorption

1) Efforts made towards technology absorption: As listed in point A(1) above.

2) Benefits derived: As listed in point A(1) above.

3) Technology imported during the last three years reckoned from beginning of the financial year:

During the last three years reckoned from beginning of the financial year, the following technology imported:

S.No.	Details of the technology imported	Year of import	Whether the technology has been fully absorbed	If not fully absorbed, reasons thereof
1.	Imported world class technology M/c for Soya TVP/ Granules from Urschel USA Approx. Rs. 55 Lakhs.	2021	Yes	NA
2.	No technology imported	2020	NA	NA
3.	Product sizing technology to meet Granulometry of the Product	2019	Yes	NA

#### C. Foreign Exchange Earning & Outgo (Rs. In Lakhs)

Sr. No.	Particulars	2021-22	2020-21
1.	Foreign Exchange earned in terms of Actual Inflows	11,070.75	9,613.79
2.	Foreign Exchange spent in terms of Actual Outflows	795.75	285.61
	• C.I.F. Value of Import (Raw Material)		



## ANNEXURE D

# VIGIL MECHANISM POLICY

## 1. PREFACE

- 1.1 Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

## 2. POLICY OBJECTIVES

- 2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues ingeneral.

## 3. SCOPE OF THE POLICY

- 3.1 This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

## 4. DEFINITIONS

- 4.1 "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and

specific danger to public health and safety or abuse of authority".

- 4.2 "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- 4.3. "Board" means the Board of Directors of the Company.
- 4.4. "Company" means the Kriti Nutrients Limited, and all its offices.
- 4.5. "Code" means Code of Conduct for Directors and Senior Management Executives adopted by Kriti Nutrients Limited
- 4.6. "Employee" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).
- 4.7. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.8. "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 4.9. "Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 4.10. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## 5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

- 6.1. All Protected Disclosures should be reported in

writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

- 6.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- 6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.5. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance and Ethics Officer is asunder:-

Name and Address – Vigilance and Ethics Officer,  
Kriti Nutrients Limited  
Brilliant Sapphire, 801-804, 8<sup>th</sup> Floor, Plot No. 10  
Scheme no 78-II, Vijay Nagar, Indore (M.P.) 452010  
Email- whistleblower@kritiindia.com

- 6.6. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman, CEO and the Chairman of the Audit Committee are asunder:

Name and Address of Chairman – Shri Manoj Fadnis,  
Chairman Audit Committee  
15 HIG Vijay Nagar, AB Road, Indore – 452010

- 6.7. On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer / Chairman of the Audit Committee for processing the complaint
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/ other action(s).

- 6.8. The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## 7. INVESTIGATION

- 7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be

influenced, coached, threatened or intimidated by the subject(s).

- 7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## 8. DECISION AND REPORTING

- 8.1. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 8.2. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3. In case the Subject is related to the Vigilance and Ethics Officer of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.4. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Chairman of the Audit Committee shall be subject to appropriate disciplinary action in

accordance with the rules, procedures and policies of the Company.

## 9. SECRECY / CONFIDENTIALITY

- 9.1. The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
  - 9.1.1. Maintain confidentiality of all matters under this Policy
  - 9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
  - 9.1.3. Not keep the papers unattended anywhere at anytime
  - 9.1.4. Keep the electronic mails / files under password.

## 10. PROTECTION

- 10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 10.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the



issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

#### **11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

- 11.1. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

#### **12. COMMUNICATION**

- 12.1. A whistle Blower policy cannot be effective unless it

is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

#### **13. RETENTION OF DOCUMENTS**

- 13.1. All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

#### **14. ADMINISTRATION AND REVIEW OF THE POLICY**

- 14.1. The Chief Financial Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Financial Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

#### **15. AMENDMENT**

- 15.1. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

## ANNEXURE E

### FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

**KRITI NUTRIENTS LIMITED**

CIN: L24132MP1996PLC011245

Registered Office: 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, Directors and authorized representatives during the conduct of secretarial audit and subject to the note(s) provided, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2022, 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 March 31, 2022, 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 & trans boundary 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) and applicable mandatorily.
2. 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that 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 Ajit Jain & Co.**  
Company Secretaries

Place: Indore  
Date: 30/05/2022

**CS Ajit Jain**  
(Proprietor)  
M. No. F3933/C.P. No. 2876  
UDIN:F003933D000419326  
Peer Review No.: 767/2020  
PCS Unique ID No.: S1998MP023400



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.

### 'Annexure -1'

To,  
The Members  
**Kriti Nutrients Limited**  
CIN: L24132MP1996PLC011245  
Registered Office: Mehta Chamber,  
34-Siyaganj Indore (M.P.) – 452007

Our report of even date is to be read along with this letter (forming part of the report)

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 and whether applicable reliance have been made on the reports, certificates etc. given to the company by other professionals, competent to issue those certificates to the company.
4. Wherever required, we have obtained the Management representation and certification 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 Ajit Jain & Co.**  
Company Secretaries

Place: Indore  
Date: 30/05/2022

**CS Ajit Jain**  
(Proprietor)  
M. No. F3933/C.P. No. 2876  
UDIN:F003933D000419326  
Peer Review No.: 767/2020  
PCS Unique ID No.: S1998MP023400

# CORPORATE GOVERNANCE REPORT

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Kriti Nutrients Limited (KNL/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 ensures long term sustainability. Value creation for stakeholders is thus a continuous endeavor at Kriti.

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

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

## II. THE GOVERNANCE STRUCTURE

Our 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** - The company is having mandatory committees such as Audit Committee, Nomination & Remuneration Committee, CSR Committee, Stakeholders and Relationship committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees and shareholders grievances and implementation and monitoring of CSR activities.

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

## III. BOARD OF DIRECTORS

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of corporate financial year 2021-22, the total Board consists of **Six (6)** directors, out of which **Four (4)** are Non-Executive Directors including **three (3)** are Independent Directors .

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Sr. No.	Name of Directors	Category	Total number Board Meeting eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 07/08/2021	No. of Directorship in other public Companies As on 31.03.2022	No. of Memberships/ Chairmanship in Committee of Directors in all Public Companies		Number of shares held in the Company	Relationship of Directors Inter-se
							Chairman	Member		
1.	Mr. Shiv Singh Mehta Chairman and Managing Director (DIN: 00023523)	Promoter Executive	4	4	Yes	3	0	3	20,40,312 (4.07%)	1) Spouse of Smt. Purnima Mehta-NED; 2) Father of Shri Saurabh Singh Mehta-WTD
2.	Mrs. Purnima Mehta (DIN: 00023632)	Promoter Non-Executive	4	4	Yes	1	1	3	2,20,783 (0.44%)	1) Spouse of Shri Shiv Singh Mehta-CMD; 2) Mother of Shri Saurabh Singh Mehta-WTD
3.	Mr. Saurabh Singh Mehta (DIN: 00023591)	Whole Time Director	4	4	Yes	2	0	1	30,440 (0.06%)	Son of Shri Shiv Singh Mehta, CMD and Smt. Purnima Mehta NED.

Sr. No.	Name of Directors	Category	Total number Board Meeting eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 07/08/2021	No. of Directorship in other public Companies As on 31.03.2022	No. of Memberships/ Chairmanship in Committee of Directors in all Public Companies		Number of shares held in the Company	Relationship of Directors Inter-se
							Chairman	Member		
4.	Mr. Rakesh Kalra (DIN: 00780354)	Independent Non-Executive	4	4	Yes	5	1	5	Nil	Not Applicable
5.	CA Manoj Fadnis (DIN: 01087055)	Independent Non-Executive	4	4	Yes	4	4	1	Nil	Not Applicable
6.	Mr. Chandrasekharan Bhaskar (DIN: 00003343)	Independent Non-Executive	4	4	Yes	3	1	1	Nil	Not Applicable

#Includes only Memberships of the Audit Committee and Stakeholders Relationship Committee.

S.No.	Name of Director	Name of other Listed entities in which person is Director	Category of Directorship
1.	Mr. Shiv Singh Mehta	Kriti Industries (India) Limited	Chairman and Managing Director, Promoter, Executive
		Rajratan Global Wire Limited	Non-Executive - Independent Director
2.	Mrs. Purnima Mehta	Kriti Industries (India) Limited	Whole-time Director, Promoter, Executive
3.	Mr. Saurabh Singh Mehta	Kriti Industries (India) Limited	Non-Executive, Non Independent Director
4.	Mr. Rakesh Kalra	Kriti Industries (India) Limited	Non-Executive - Independent Director
		Jamna Auto Industries Limited	Non-Executive - Independent Director
		Automotive Axles Limited	Non-Executive - Independent Director
5.	CA Manoj Fadnis	Kriti Industries (India) Limited	Non-Executive - Independent Director
		The Federal Bank Ltd	Non-Executive - Independent Director-Shareholder Director
6.	Mr. Chandrasekharan Bhaskar	Kriti Industries (India) Limited	Non-Executive - Independent Director
		Xpro India Limited	Managing Director, Executive

Details about Directors seeking Appointment / Reappointments at the forthcoming Annual General Meeting are given separately along with notice convening the said meeting.

Mr. Raj Kumar Bhawsar is Company Secretary & Compliance Officer of the Company as well as functioning as the Secretary of all committees.

During the financial year 2021-22 the Board of Directors met **Four (4)** times on (i) 15<sup>th</sup> May, 2021, (ii) 13<sup>th</sup> August, 2021, (iii) 26<sup>th</sup> October, 2021 and (iv) 27<sup>th</sup> January, 2022.

#### Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,



- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills,
- v) Technical / Professional skills and specialized knowledge in relation to Company's business.

## DIRECTORS HAVING SUCH SKILL AND COMPETENCIES

Skills to be possessed by Directors	Mr. Shiv Singh Mehta	Mrs. Purnima Mehta	Mr. Saurabh Singh Mehta	Mr. Rakesh Kalra	CA Manoj Fadnis	Mr. Chandrasekharan Bhaskar
Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	Yes	Yes	Yes	Yes	Yes	Yes
Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,	Yes	Yes	Yes	Yes	Yes	Yes
Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, administration, Decision Making.	Yes	Yes	Yes	Yes	Yes	Yes
Financial and Management skills,	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills and specialized knowledge in relation to Company's business	Yes	Yes	Yes	Yes	Yes	Yes

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarization program for Independent Directors to provide them with an opportunity to familiarize themselves with the Company, its Management, its operations and the industry in which the Company operates. On his appointment, an Independent Director, receives a formal letter of appointment, setting out in detail the role, functions, duties and responsibilities expected of him as an Independent Director of the Company. Further the Directors of the Company are updated on changes/ developments in domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations and economic environment and on matters related to the Company covering its plants, products, marketing, competitors and other functions. The said familiarisation Programme is available on the Company's Website at <http://kritinutrients.com/investor-relations/policies>.

## CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTOR FULFILL THE CONDITION SPECIFIED IN THIS REGULATION AND ARE INDEPENDENT OF THE MANAGEMENT:

All Independent Directors has given disclosure as required under the Companies Act, 2013 and Listing Regulations that they are independent of the management and the Management do hereby confirm their independency

## DETAILED REASON FOR RESIGNATION OF INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF HIS TENURE ALONG WITH THE CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASON OTHER THAN THOSE PROVIDED:

There is no resignation of any independent Director during the Financial Year.

#### IV. AUDIT COMMITTEE

- 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 Audit Committee of the Board of Directors in compliance with Regulation 18 of the SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013 is in place.
- The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Name of the Members	Designation	No. of Meetings Attended
1.	CA Manoj Fadnis	Chairman	4
2.	Mr. Rakesh Kalra	Member	4
3.	Mrs. Purnima Mehta	Member	4

- During the year under review, the Committee met on (i) 15<sup>th</sup> May, 2021, (ii) 13<sup>th</sup> August, 2021, (iii) 26<sup>th</sup> October, 2021 and (iv) 27<sup>th</sup> January, 2022.
- All the three members of the audit committee are non-executive directors and two of them are independent.
- Company Secretary acts as Secretary to the Committee.
- CA Manoj Fadnis, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholders queries.

**The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's/Directors' report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

- b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

### Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/n prospectus/notice in terms of Regulation 32(7).
7. The Audit Committee is also responsible for giving guidance and directions under the SEBI (PIT) Regulations, 2015.
8. Utilization of loan and advances, if any.

The Audit Committee reviewed the reports of the internal auditors, the reports of the statutory auditors arising

out of the quarterly, half-yearly, and annual audit of the accounts; considered significant financial issues affecting the Company and held discussions with the internal and statutory auditors and the Company Management during the year.

### V. NOMINATION & REMUNERATION COMMITTEE

The constitution and composition of Nomination and Remuneration Committee of the Board of Directors is in compliance with Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Name of the Members	Designation	No. of Meetings Attended
1.	CA Manoj Fadnis	Chairman	4
2.	Mr. Rakesh Kalra	Member	4
3.	Mr. Chandrasekharan Bhaskar	Member	4

- All the three members of the remuneration committee are non-executive and independent directors.
- During the year under review, the Committee met on (i) 15<sup>th</sup> May, 2021, (ii) 13<sup>th</sup> August, 2021, (iii) 26<sup>th</sup> October, 2021 and (iv) 27<sup>th</sup> January, 2022..

### The Committee reviewed and made recommendation at the meetings held on:

- (i) 27<sup>th</sup> October, 2020, the appointment of Mr. Shashank Belkhede as CFO w.e.f. 1st November, 2020.
- (ii) 13<sup>th</sup> August, 2021, the appointment of Mr. Raj Kumar Bhawar as Company Secretary and Compliance Officer of the Company w.e.f. 16<sup>th</sup> August, 2021.

The Committee also taken note of Resignation of Mrs. Swati Tiwari Company Secretary w.e.f. 16<sup>th</sup> August, 2021 at the meetings held on that date.

### The terms of reference of the Nomination and Remuneration Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(1A) For every appointment of an independent director,



the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
  - (3) devising a policy on diversity of board of directors;
  - (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
  - (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

### Performance Evaluation Criteria for Directors including Independent Directors

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors including Independent Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be based on the outcome of evaluation process.

### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee has adopted a policy which, inter-alia, deals with the manner of selection of members of the Board including Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The said policy is available on the Company's Website at - <http://kritinutrients.com/investor-relations/policies/>:

### DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

The details of Remuneration to Directors during the financial year 2021-22 are as follows:

Sr. No.	Name of the Directors	Designation	Service Contract	Remuneration drawn Amount (Rs in Lakhs)		Stock Options Granted
				Salary, Allowances & Perquisites	Sitting Fees	
1.	*Mr. Shiv Singh Mehta	Chairman and Managing Director	12.01.2019 to 11.01.2022 and 12.01.2022 to 11.01.2027	17.75	-	-
2.	Mrs. Purnima Mehta	Non-Executive Director	-	-	0.84	-
3.	Mr. Saurabh Singh Mehta	Whole Time Director	01.08.2019 to 31.07.2022	90.95	-	-
4.	Mr. Rakesh Kalra	Independent Director	01.04.2019 to 31.03.2024	-	0.84	-
5.	CA Manoj Fadnis	Independent Director	01.04.2019 to 31.03.2024	-	0.84	-
6.	Mr. Chandrasekharan Bhaskar	Independent Director	16.05.2019 to 31.03.2024	-	0.80	-

\* Mr. Shiv Singh Mehta was re-appointed as the Chairman and Managing Director by passing Special Resolution in the 25th AGM held on 07.08.2021 for a period of 5 years w.e.f. 12.01.2022 and will also attain age of 70 years during the proposed tenure.

## VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee. The terms of reference of the Committee are to consider and approve the transfer of shares, consolidation / split of share certificates, issue of duplicate share certificates and other allied matters. The said Committee is also empowered to look into and address Shareholders, Security holders and Investors Grievances in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year ended 31st March, 2022, Fourteen (14) Complaints were received from shareholders and the same were redressed to the satisfaction of the shareholders and no such complaint was pending as on 31st March, 2022.

Presently, Mrs. Purnima Mehta, Non-Executive- Non-Independent Director, is the Chairperson of the Committee. While Mr. Shiv Singh Mehta, Chairman and Managing Director, CA Manoj Fadnis, Non-Executive Independent Director are the Members. CS Raj Kumar Bhawsar, Company Secretary of the company shall act as Secretary to the Committee and the Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31st March, 2022 the **Seven (7)** meetings of the Committee were held on 9th July 2021, 11th September 2021, 13th October 2021, 15th November 2021, 22nd December 2021, 18th January 2022 and 23rd February 2022 in which all the members were present.

## VII. CORPORATE SOCIAL RESPONSIBILITY

The role of CSR Committee of the Board is to review, monitor and provide strategic direction to the Company's CSR practices. The Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies. The Committee has formulated and monitors the CSR policy and recommends to the Board the annual CSR plan comprising the CSR Budget and CSR activities of the Company in terms of Companies Act, 2013. The composition of the Corporate Social Responsibility Committee and the attendance of Members at the Corporate Social Responsibility Committee meetings is as below:

Sr. No.	Name of the Members	Designation	No. of Meetings Attended
1.	Mrs. Purnima Mehta	Chairperson	1
2.	Mr. Saurabh Singh Mehta	Member	1
3.	Mr. Rakesh Kalra	Member	1

During the year under review, Corporate Social Responsibility Committee met **once** i.e. on 13th August, 2021.

CS Raj Kumar Bhawsar Company Secretary of the company shall act as Secretary to the Committee

The terms of reference of Corporate Social Responsibility Committee are as under:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company;
- the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## VIII. INDEPENDENT DIRECTORS' MEETING

The Statutory role of Independent Directors Meeting is to review the performance of Non-Independent Directors, the Board and the Chairman of the Company and also to assess quality, content and timeliness of the flow of information between the Company Management and the Meeting of the Independent Directors of the Company was held on 26th October, 2021 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole and was attended by all the Independent Directors of the Company.

## IX. GENERAL MEETINGS

The location, date and time of the General Meetings held for the last three financial years are as under:

Year	Location	Date	Type of General Meeting	Time	Special Resolutions	Special resolution through postal Ballot
2020-21	Held through VC/OAVM in which Deemed venue for the AGM was at 8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore -452010 (MP)	7th August, 2021	AGM	4:30 P.M.	Yes (1)	-

Year	Location	Date	Type of General Meeting	Time	Special Resolutions	Special resolution through postal Ballot
2019-20	Held through VC/OAVM in which Deemed venue for the AGM was at 8 <sup>th</sup> Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore -452010 (MP)	08 <sup>th</sup> August, 2020	AGM	05:00PM	Yes (1)	-
2018-19	8 <sup>th</sup> Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA, Scheme No.78, Part-II, Indore (MP) – 452010	14 <sup>th</sup> August, 2019	EGM	04:00 PM	Yes (4)	-
	4 <sup>th</sup> Floor, Chetak Chamber, 14, RNT Marg, Indore	18 <sup>th</sup> March, 2019	EGM	04:00 P.M.	Yes (4)	-

## X. MEANS OF COMMUNICATION

Effective communication of consistent, comparable, relevant and reliable information is an effective component of Corporate Governance. It is a process of sharing information, thoughts, opinion, and plans to all stakeholders which promote management-shareholder relations.

**Quarterly Results:** The Company's quarterly results are published in 'Business Standard and Nai Duniya Newspapers and are displayed on its website (<http://kritinutrients.com>).

**Website:** The Company's website (<http://kritinutrients.com>) contains a separate dedicated section 'Investor Desk' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Annual Report:** The Annual Report containing, inter alia, Audited Annual Financial Statements, Directors' Report and its annexures as required, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussions and Analysis Report forms part of the Annual Report and is displayed on the Company's website (<http://kritinutrients.com>).

**BSE Corporate Compliance and Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, Annual Report, Related Party Transactions, Investors complaint, Annual Secretarial Compliance Report, etc. are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized data base of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## XI. OTHER DISCLOSURES

1. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Ind-AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Weblink -<http://kritinutrients.com/investor-relations/policies/>

2. During the last three years, no non-compliance has been noticed and no penalties, strictures were imposed by stock exchange, SEBI or any statutory authority on the Company or its promoters and directors in respect of any matter related to capital market. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to give their views on the accounting policies and practices of the Company, report unethical or undesirable behavior or practices, actual and suspected fraud taking place in the Company, violations of Company's Code of Conduct or ethics policy. The reportable matters may be disclosed to the Audit Committee through Company Secretary. In exceptional cases, employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

3. Your Board affirms that, there is no such instances where the Board has not accepted any recommendation of any committee of the Board during the financial year.
4. The Company has not raised money through an issue (public issues, rights issues, preferential issues etc.) during the year under review.
5. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2021-22 are as under:
  - a. Number of complaints filed during the financial year: NIL
  - b. Number of complaints disposed of during the financial year: NIL
  - c. Number of complaints pending as on end of the financial year: NIL
6. The Company complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:

**A. The Board:**

The Company does not have Non-Executive Chairman.

**B. Shareholder's Rights:**

The quarterly and half yearly results are published in the newspaper and also displayed on the website of the Company and are submitted and hosted at the portal of BSE Ltd. where the shares of the Company are listed.

**C. Audit Qualification:**

The auditors have not qualified the financial statement of the Company. The Secretarial Auditor have not qualified his report. The Company continues to adopt best practices in order to ensure unqualified financial statements and secretarial audit report

**D. Reporting of Internal Auditor:**

The Internal Auditors of the Company report to the Audit Committee

7. Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: The company has paid/ provided Rs. 2.75 Lakhs to M/s M. Mehta & Co. for the year ended 31st March, 2022.
8. Company has also annexed a certificate from M/s Ajit Jain & Co., Company Secretaries, a Practicing company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by

the Board/Ministry of Corporate Affairs or any such statutory authority as at 31.03.2022.

9. The company is not having any demat suspense account/ unclaimed suspense account during the year under review.
10. Secretarial Compliance Report: In compliance of the SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A(2) of the SEBI (LODR) Regulations, 2015, the Company has engaged the services of CS Ajit Jain (CP No. 3933), Practicing Company Secretary for providing said report. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report provided by Practicing Company Secretaries under Form MR – 3.
11. The company has provided Loans to one of its Fellow Subsidiary Kriti Industries (India) Limited in which Shri Shiv Singh Mehta, Chairman and Managing Director, Smt. Purnima Mehta, Non-Executive Director and Shri Saurabh Singh Mehta, Whole-time Director of the company are interested in the said transactions. The said loans were advanced to Kriti Industries (India) Limited for its general working capital requirements and the overall loan provided by the company to Kriti Industries (India) Limited is Rs. 55.50 Crores which was gradually repaid by the Kriti Industries (India) Limited.

## XII. CONFIRMATION OF COMPLIANCE

1. The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
2. The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company and they have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31st March, 2022 and the declaration to that effect from Chairman and Managing Director is annexed to this report.
3. The compliance Certificate from M/s Ajit Jain & Co., Company Secretaries that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

## XIII. GENERAL SHAREHOLDER INFORMATION

1. The Company is registered in the State of Madhya Pradesh, India with the Registrar of Companies, Gwalior. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24132MP1996PLC011245.



## 2. Annual General Meeting

1. Date and Time, Venue : 17<sup>th</sup> August, 2022 at 4.30 P.M. (through VC/OAVM) for which deemed venue is 8<sup>th</sup> Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA, Scheme No. 78-II, Indore (M.P.) 452010
3. Book Closure Date : 11<sup>th</sup> August, 2022 to 17<sup>th</sup> August, 2022 (both days inclusive)
4. Dividend Payment Date : on or after 17<sup>th</sup> August, 2022
5. Financial Year : April 1 to March 31
6. Financial Calendar for the Year ending : 31<sup>st</sup> March, 2023

Sr. No.	Particulars	Tentative Date
1.	Unaudited Financial Results for the First Quarter ending 30 <sup>th</sup> June, 2022	On or Before 14 <sup>th</sup> August, 2022
2.	Unaudited Financial Results for the Second Quarter ending 30 <sup>th</sup> September, 2022	On or Before 14 <sup>th</sup> November, 2022
3.	Unaudited Financial Results for the Third Quarter ending 31 <sup>st</sup> December, 2022	On or Before 14 <sup>th</sup> February, 2023
4.	Audited Financial Results for the Fourth Quarter ending 31 <sup>st</sup> March, 2023	On or Before 30 <sup>th</sup> May, 2023
5.	Annual General Meeting for the year ending 31 <sup>st</sup> March, 2023	On or before 30 <sup>th</sup> September, 2023

7. Listing on Stock Exchange : BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
Scrip Code – 533210  
ISIN – INE798K01010
8. Annual Listing fees for the year 2022-23 have been duly paid to the above Stock Exchanges and the trading of the shares being regular during the year under review.
9. Annual Custody / Issuer fee for the year 2022-23 has been paid to CDSL & NSDL.

## 10. Stock Market Data:

Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month/Year	BSE Limited		BSE Sensex	
	Price		Price	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr 2021	44.00	34.00	50,375.77	47,204.50
May 2021	50.85	41.25	52,013.22	48,028.07
June 2021	49.00	40.80	53,126.73	51,450.58
July 2021	51.50	41.50	53,290.81	51,802.73
Aug 2021	48.80	38.70	57,625.26	52,804.08
Sep 2021	47.00	40.00	60,412.32	57,263.90
Oct 2021	47.50	35.00	62,245.43	58,551.14
Nov 2021	42.35	34.15	61,036.56	56,382.93
Dec 2021	45.00	36.10	59,203.37	55,132.68
Jan 2022	53.50	38.10	61,475.15	56,409.63
Feb 2022	54.40	44.50	59,618.51	54,383.20
Mar 2022	66.00	44.30	58,890.92	52,260.82

### 11. Dividend History:

The Dividend declared and paid during the last five financial years is as under:

Sr. No.	Financial Year	% of Interim Dividend	% of Final Dividend	% of Total Dividend	Dividend Amount Rs. in Lakhs
1.	2020-21	-	18	18	90.19
2.	2019-20	-	18	18	90.19
3.	2018-19	-	18	18	90.19
4.	2017-18	-	18	18	90.19
5.	2016-17	-	12	12	60.12

### 12. Registrar & Transfer Agent

: Ankit Consultancy Pvt. Ltd  
Plot No. 60, Electronic Complex, Pardeshipura  
Indore- 452 010 (M.P)  
SEBI Reg. No. NR000000767  
Tel: 0731-4065797/ 0731-4065799  
E-mail: ankit4321@yahoo.com, info@ankitonline.com,  
support@ankitonline.com

### 13. Distribution of Shareholding as on 31st March, 2022:

Share Holding of Nominal Value of Rs.	No. of Shareholders	% of Shareholding
1-1000	19405	91.86
1001-2000	922	4.36
2001-3000	262	1.24
3001-4000	209	0.99
4001-5000	78	0.37
5001-10000	139	0.66
10001-20000	52	0.25
20001-30000	13	0.06
30001-40000	12	0.06
40001-50000	4	0.02
50001-100000	11	0.05
100000 Above	17	0.08
<b>Total</b>	<b>21124</b>	<b>100.00</b>

#### 14. Dematerialisation of Shares:

4,89,88,240 Equity Shares i.e. 97.77% of the total Equity Shares have been dematerialized up to 31<sup>st</sup> March, 2022.

Presently, trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialised form as per the Directions issued by the Securities and Exchange Board of India in that behalf.

15. Company has no outstanding GDR's, ADR's, Warrants or any other Convertible Instruments.

#### 16. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure hedged through commodity derivatives. During the year 2021-22, the Company had managed the foreign exchange risk and hedged to the extent considered necessary.

The Company enters into forward contracts for hedging foreign exchange exposures against exports.

17. **Plant Location** : Industrial Area No. 3, Dewas, (M.P.) 455001

#### 18. Address for Investor Correspondence:

##### Registered Office:

**Kriti Nutrients Limited**

34, Mehta Chambers, Siyagunj

Indore 452007 (M.P.)

Tel: 0731-2540963

Email: cs@kritiindia.com

##### Corporate Support Centre:

**Kriti Nutrients Limited**

Brilliant Sapphire, 801-804, 8<sup>th</sup> Floor

Plot No. 10, Sch No.78-II, Vijay Nagar

Indore 452001 (M.P.)

Tel: 0731-2719100

Email: cs@kritiindia.com

#### Declaration Regarding Compliance with the Company's Code of Conduct pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As required by Regulation 26 (3), Regulation 34(3) read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management of the Company have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Indore

Date: 30.05.2022

(Shiv Singh Mehta)  
Chairman and Managing Director  
DIN : 00053523

## ANNEXURE-1

### Corporate Governance Certificate

To  
The Members of  
KRITI NUTRIENTS LIMITED  
CIN L24132MP1996PLC011245  
Registered Office: Mehta Chambers,  
34-Siyaganj  
Indore (M.P.) – 452007  
Corporate Office: 8<sup>th</sup> floor, Plot no.10, PSP,  
IDA Scheme no. 78-II, Vijay Nagar,  
Indore (M.P.) 452010

1. I, Ajit Jain, Proprietor at Ajit Jain & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, 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, 2022.

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.
7. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Ajit Jain & Co.  
Company Secretaries

Place: Indore  
Date: 30/05/2022

CS Ajit Jain  
(Proprietor)  
M.No: F3933  
C.P. No: 2876

UDIN number: F003933D000419271  
Peer Review Certificate No.: 767/2020  
PCS Unique ID No.: S1998MP023400



## ANNEXURE-2

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Kriti Nutrients Limited,**  
CIN: L24132MP1996PLC011245  
Mehta-Chambers 34, Siyaganj,  
Indore MP-452007.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kriti Nutrients Limited**, having CIN L24132MP1996PLC011245 and having registered office at **Mehta-Chamber 34, Siyaganj Indore MP-452007** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN/PAN	Date of appointment in Company
1.	Shiv Singh Mehta	00023523	26/12/2009
2.	Saurabh Singh Mehta	00023591	26/12/2009
3.	Purnima Mehta	00023632	26/12/2009
4.	Rakesh Kalra	00780354	27/01/2014
5.	Manoj Fadnis	01087055	26/12/2009
6.	Chandrasekharan Bhaskar	00003343	16/05/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ajit Jain & Co.  
Company Secretaries

Place: Indore  
Date: 30/05/2022

CS Ajit Jain  
(Proprietor)  
M.No: F3933  
C.P. No: 2876  
UDIN number: F003933D000419249  
Peer Review Certificate No.: 767/2020  
PCS Unique ID No.: S1998MP023400

## Independent Auditor's Report

To,  
The Members of,  
Kriti Nutrients Limited

### Report on the Audit of the Financial Statements

#### Opinion:-

1. We have audited the accompanying financial statements of KRITI NUTRIENTS LIMITED, which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow on that date, a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the **Profit** and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section

143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Provisions and Contingent liabilities in respect of certain litigations of Assessment of Direct and Indirect Taxes and related to leasehold land of factory building not acknowledged as debt. (Note No. 36 read with Note No. 4.8 to the financial statements):</p> <p>The Company has material uncertain tax positions including other matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.</p>	<p>Our audit approach involved :-</p> <ol style="list-style-type: none"><li>a. Understanding the current status of the litigations/tax assessments;</li><li>b. Examining communication received from various Tax Authorities/ Judicial forums and follow up action thereon;</li><li>c. Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; and</li><li>d. Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome.</li></ol>

## Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Management and Board of Directors are responsible for the preparation of the other information and presentation of its report (Hereinafter called as "Board Report") which comprises various information required under Section 134(3) of the Companies Act, 2013. However, our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibility for the Financial Statements

7. The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

10. Our responsibility is to express an opinion on these standalone financial statements based on our report. In conducting our audit, we have taken into account the provisions of the act: the accounting and auditing standards and matter which are required to be included in audit report under the provisions of the Act and Rules made thereunder.
11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control systems.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) order, 2020 ("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.
17. 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 of the Company.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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, if any, of pending litigations on its financial position in its Ind AS financial statements – Refer Note-36 to the Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (h) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:



- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations under subclause (h) (i) and (h) (ii) contain any material mis-statement.

- (i) The Dividend declared or paid during the year by the Company with is in compliance with section 123 of the Act.

18. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given 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.

**For M. MEHTA & COMPANY**

*Chartered Accountants*  
Firm Regn. No. 000957C

**CA Nitin Bandi**

*(Partner)*

M.No. 400394

Place: Indore

Dated: 30.05.2022

UDIN: 22400394AJXBNC1361

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF KRITI NUTRIENTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- (i) (a) (A) The company has maintained reasonable records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The company has maintained proper records showing full particulars of intangible assets;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of verification to cover all the items of Property, Plant and Equipment during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of records of Company examined by us we report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) 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.
- (b) According to the information and explanations given to us and on the basis of our examination of the records produced of the company, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company other than those as set out below.

Name of Bank			State Bank of India and HDFC Bank	
Aggregate working capital limit sanctioned			2200	
Quarter ended	Amount utilised during the quarter	Amount Disclosed as per quarterly return/statement	Amount as per books of account	Difference (in Lacs)
30.06.2021	209.60	5,423.08	5,540.81	(117.73)
30.09.2021	0.00	2,578.58	2,630.03	(51.45)
31.12.2021	937.63	9,563.87	10,421.61	(857.74)
31.03.2022	0.00	6,972.13	6,972.13	-

- (iii) The Company has granted loans to one of its Group company during the year.
- Loan of ₹1400 Lacs was given during the year. The amount of loan outstanding as on the Balance sheet Date is ₹2400 Lacs.
  - The terms and conditions on which loan has been granted is not prejudicial to the company's interest.
  - According to information and explanation given to us, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
  - According to information and explanation given to us, no amount of loan is overdue as at the year end.
  - No Loan has fallen due during the year and no loan has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same party.
  - The company has not granted any loans in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of sections 185 and 186 of the Companies Act in respect of loans given.
- (v) According to the information and explanations given to us and based on our audit procedure, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the companies Act, 2013.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained."
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 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 statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute, except the following: -

S. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relate to	Amount of Demand (in Lacs)	Amount paid under protest
1.	M.P. Comm. Tax	High Court	2004-05	29.99	8.46
2.	M.P. Comm. Tax	High Court	2005-06	113.08	31.67
3.	Entry Tax	High Court	2005-06	69.89	33.91
4.	M.P. Comm. Tax	Assessing Authority	2006-07	12.13	5.60
5.	Entry Tax	High Court	2006-07	12.92	9.07
6.	Central Sales Tax	High Court	2006-07	127.25	13.00
7.	Entry Tax	High Court	2007-08	36.30	18.08
9.	Entry Tax	High Court	2008-09	8.89	4.98
10.	Entry Tax	High Court	2008-09	27.55	12.76
11.	M.P. Comm. Tax	Appellate Board	2013-14	6.78	1.70
12.	M.P. Comm. Tax	Additional Commissioner	2016-17	0.97	0.24
13.	Central Excise	Commissioner Appeal	2013-14	1.38	0.10
14.	Central Excise	CESTAT	2016-17	2.05	0.20
15.	Income Tax	CIT Appeal	2018-19	18.61	0.00

- (viii) According to the information and explanations given to us, there was no transaction found unrecorded in the books of accounts of the company which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations and as verified from books of accounts, the company has not defaulted in repayment of loans or interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the company not obtained any term loan during the year. Accordingly, clause 3(ix)(c) of the order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) of the order is not applicable.
- (x) (a) In our opinion and according to the information and explanations given to us, the company has not raised any amount by way of initial public offer/ further public offer (including debt instruments) accordingly clause 3(x)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the company has not raised funds by way of preferential allotment or private placement of shares or convertible debentures (fully partially or optionally convertible) during the year accordingly clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.
- (b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Indian Accounting Standards;
- (xiv)(a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



- (d) According to the information and explanations given to us during the course of audit, the group does not have any CICs accordingly clause 3(xvi) (d) of the order is not applicable.
- (xvii) The Company has not incurred cash loss during the year as well as in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any

assurance that all liabilities falling due within a period of one year from the balance sheet date, will be discharged by the company as and when they fall due.

- (xx) (a) There is no unspent amount other than ongoing projects which were to be transferred to the funds specified in Schedule VII of the Companies Act 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) The Company has transferred the amount remaining unspent under subsection (5) of section 135 of the Companies Act, pursuant to any ongoing project, in compliance with the provision of sub-section (6) of section 135 of the said Act.

**For M. MEHTA & COMPANY**

*Chartered Accountants*  
Firm Regn. No. 000957C

**CA Nitin Bandi**  
(Partner)

M.No. 400394

Place: Indore  
Dated: 30.05.2022

UDIN: 22400394AJXBNC1361

# ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF KRITI NUTRIENTS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## Annexure - B

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls over financial reporting of **KRITI NUTRIENTS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

### 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 (the "Guidance Note") 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**For M. MEHTA & COMPANY**

*Chartered Accountants*  
Firm Regn. No. 000957C

**CA Nitin Bandi**

*(Partner)*

M.No. 400394

Place: Indore  
Dated: 30.05.2022

UDIN: 22400394AJXBNC1361

## Balance Sheet as at March 31, 2022

₹ in Lakhs

Sr. No	Particulars	Note No	As at 31.03.2022	As at 31.03.2021
	<b>ASSETS</b>			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	6	4683.45	4352.06
	(b) Capital work-in-progress	7	547.36	256.57
	(c) Other Intangible assets	8	45.19	70.58
	(d) Financial Assets			
	(i) Investments	9	0.00	1.11
	(ii) Loans	10	1000.00	1000.00
	(iii) Other Non Current Assets	11	131.92	206.08
	<b>Total Non-current assets</b>		<b>6407.92</b>	<b>5886.39</b>
(2)	Current assets			
	(a) Inventories	12	5139.05	3669.92
	(b) Financial Assets			
	(i) Trade Receivables	13	1157.10	925.57
	(ii) Cash and cash equivalents	14	371.57	302.11
	(iii) Bank balances other than (ii) above	15	261.65	215.85
	(iv) Loans	16	1400.00	0.00
	(c) Other Current Assets	17	2060.76	1425.08
	<b>Total Current assets</b>		<b>10390.13</b>	<b>6538.54</b>
	<b>Total Assets</b>		<b>16798.05</b>	<b>12424.93</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	18	501.04	501.04
	(b) Other Equity	19	10749.38	9600.14
	<b>Total Equity</b>		<b>11250.42</b>	<b>10101.18</b>
	<b>LIABILITIES</b>			
(1)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Lease Liability	20	237.29	255.82
	(b) Provisions	21	11.36	4.99
	(c) Deferred tax liabilities (Net)	22	480.06	482.78
	<b>Total Non-current liabilities</b>		<b>728.71</b>	<b>743.59</b>
(2)	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	23	3500.00	83.17
	(ii) Lease Liability	20	18.53	14.81
	(iii) Trade payables			
	(A) Total outstanding dues of micro enterprises and small enterprises	24	76.15	0.00
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	605.26	722.60
	(iv) Others financial liabilities	25	88.82	86.35
	(b) Other current liabilities	26	435.35	621.57
	(c) Provisions	22	18.92	14.47
	(d) Current Tax Liabilities (Net)	27	75.88	37.18
	<b>Total Current liabilities</b>		<b>4818.92</b>	<b>1580.16</b>
	<b>Total Equity and Liabilities</b>		<b>16798.05</b>	<b>12424.93</b>

Significant accounting policies

1-5

Other Notes to the accounts

36-56

This is the Balance Sheet referred to in our report of even date

**For M Mehta & Company**

Chartered Accountants

FRN:000957C

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

**Nitin Bandi**

(Partner)

M.No. 400394

UDIN: 22400394AJXBNC1361

Place: Indore

Date : 30.05.2022

**Shiv Singh Mehta**

(Chairman & Managing Director)

DIN 00023523

**Shashank Belkhede**

(Chief Financial Officer)

**Purnima Mehta**

(Director)

DIN 00023632

**Raj kumar Bhawsar**

(Company Secretary)



## Statement of Profit & Loss for the year ended March 31, 2022

₹ in Lakhs

Sr. No	Particulars	Note No	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
1	Income			
	(i) Revenue From Operations	28	75288.02	69005.57
	(ii) Other Income	29	335.38	245.07
	<b>Total Revenue (i+ii)</b>		<b>75623.40</b>	<b>69250.63</b>
2	Expenses			
	(a) Cost of materials consumed		67389.43	61512.02
	(b) Purchases of Stock-in-Trade		808.72	516.83
	(c) Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress	30	-236.53	(848.96)
	(d) Employee benefits expense	31	1213.51	1098.17
	(e) Finance costs	32	210.55	93.84
	(f) Depreciation and amortization expense	33	373.41	341.65
	(g) Other expenses	34	4181.15	4508.79
	<b>Total expenses</b>		<b>73940.24</b>	<b>67222.34</b>
3	<b>Profit/(loss) before exceptional items and tax (1-2)</b>		<b>1683.16</b>	<b>2028.29</b>
4	Exceptional items		0.00	0.00
5	<b>Profit/(loss) before tax (3+4)</b>		<b>1683.16</b>	<b>2028.29</b>
6	Tax expense:	35		
	(i) Current tax		450.00	539.40
	(ii) Deferred tax		(2.72)	(16.78)
	(iii) Tax related to earlier years		5.36	0.00
	<b>Total Tax Expenses (i+ii+iii)</b>		<b>452.64</b>	<b>522.62</b>
7	Net Profit (Loss) after Tax for the year (5-6)		1230.52	1505.67
	<b>Net Profit (Loss) for the year from discontinued operations</b>		<b>0.00</b>	<b>0.00</b>
	Tax expenses of discontinued operations :			
	(i) Current tax		0.00	0.00
	(ii) Deferred tax		0.00	0.00
	<b>Total Tax Expenses(i+ii)</b>		<b>0.00</b>	<b>0.00</b>
8	<b>Net Profit (Loss) after tax for the year from discontinued operations</b>		<b>0.00</b>	<b>0.00</b>
9	<b>Net Profit (Loss) after tax for the year (5-6)</b>		<b>1230.52</b>	<b>1505.67</b>
10	Other Comprehensive Income (net of tax )			
a	(i) Items that will be reclassified to Profit and Loss			
	Fair Valuation of Investment through OCI		5.16	(4.10)
b	(i) Items that will not be reclassified to Profit and Loss			
	Remeasurement of defined benefits plans		3.75	(8.94)
11	Total comprehensive Income for the year (7+8)		1239.43	1492.63
	Paid up Equity Share Capital (face Value ₹1 Per Share)		501.04	501.04
12	Earning per share (of ₹1/- each)	41		
	(1) Basic		2.46	3.01
	(2) Diluted		2.46	3.01
13	Earning per share of discontinued operations (of ₹1/- each)			
	(1) Basic		0.00	0.00
	(2) Diluted		0.00	0.00
14	Earning per share of continuing and discontinued operations (of ₹1/- each)			
	(1) Basic		2.46	3.01
	(2) Diluted		2.46	3.01

Significant accounting policies

1-5

Other Notes to the accounts

36-56

This is the Statement of Profit & Loss referred to in our report of even date

**For M Mehta & Company**

Chartered Accountants

FRN:000957C

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

**Nitin Bandi**

(Partner)

M.No. 400394

UDIN: 22400394AJXBNC1361

Place: Indore

Date : 30.05.2022

**Shiv Singh Mehta**

(Chairman & Managing Director)

DIN 00023523

**Shashank Belhede**

(Chief Financial Officer)

**Purnima Mehta**

(Director)

DIN 00023632

**Raj kumar Bhawsar**

(Company Secretary)

## Cash Flow Statement as on March 31, 2022

₹ in Lakhs

Particulars	Year Ended 31.03.2022		Year Ended 31.03.2021	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
<b>Net Profit before Tax</b>		1683.16		2028.29
<b>Adjustments for :</b>				
Depreciation	348.02		341.65	
Depreciation on other tangible Assets	25.39			
Expected Credit Loss	0.00		8.68	
Sundry Balance Written Off / Bad Debts	21.31		0.71	
Profit / Loss on Sale of Investments	5.10		0.00	
Financial Income	(335.38)		(245.07)	
Financial Expense	210.55	274.98	93.84	199.81
<b>Cash Operating Profit before working capital changes</b>		<b>1958.14</b>		<b>2228.10</b>
Increase / (Decrease) in Trade Payables	(41.19)		50.09	
Increase / (Decrease) in Other Financial Liabilities	(14.81)		(11.54)	
Increase / (Decrease) in Short term Provisions	4.45		14.47	
Increase / (Decrease) in Other Current Liabilities	(176.07)		(1169.95)	
(Increase) / Decrease in Inventories	(1469.12)		(448.01)	
(Increase) / Decrease in Trade Receivables	(250.14)		1314.77	
(Increase) / Decrease in Long term Loans & Advances	0.00		(200.00)	
(Increase) / Decrease in Other Financial Assets	(9.93)		(8.61)	
(Increase) / Decrease in Other Current Assets	(635.68)		(294.19)	
		<b>(2592.49)</b>		<b>(752.97)</b>
Tax Paid		(416.66)		(572.94)
<b>Net Cash From Operating Activities (A)</b>		<b>(1051.01)</b>		<b>902.19</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	332.67		234.80	
Loans Given / Repaid Back	(1400.00)		400.00	
Plant, Property, Equipment including CWIP	(886.13)		(520.60)	
Other Intangible Assets	0.00			
Sale of Investment	1.17		15.49	
"Decrease Investment in Fixed Deposits having maturity of less than twelve months"	(9.16)		(9.16)	
(Increase) / Decrease in Non Current Investment	(36.63)		(0.99)	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(1998.08)</b>		<b>119.54</b>
<b>Cash Flow From Financing Activities</b>				
Increase / (Decrease) in Short Term Borrowings	3416.83		(538.27)	
Dividend Paid on Equity Shares	(87.72)		(89.19)	
Dividend Distribution Tax Paid	-		-	
Financial Expenses	(210.55)		(93.84)	
<b>Net Cash Used In Financing Activities (C)</b>		<b>3118.56</b>		<b>(721.30)</b>
<b>Net Increase In Cash and Cash Equivalents (A + B + C)</b>		<b>69.46</b>		<b>300.43</b>
<b>ADD :Cash and cash equivalents - Opening - 1<sup>st</sup> April</b>		302.11		1.68
<b>Cash and cash equivalents - Closing - 31<sup>st</sup> March</b>		371.57		302.11

## Cash Flow Statement as on March 31, 2022

### Footnote to Cash Flow Statement:

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

₹ in Lakhs

Particulars	2021-22	2020-21
Cash & Cash Equivalent		
Balances with Banks		
Current Account	62.97	0.15
Fixed Deposit having maturity three months or less	306.53	300.00
Cash on hand	2.07	1.96
<b>Total of Cash &amp; Cash Equivalent</b>	<b>371.57</b>	<b>302.11</b>

Significant accounting policies 1-5  
Other Notes to the accounts 36-56

This is the Cash Flow Statement referred to in our report of even date

### For M Mehta & Company

Chartered Accountants

FRN:000957C

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

#### Nitin Bandi

(Partner)

M.No. 400394

UDIN: 22400394AJXBNC1361

Place: Indore

Date : 30.05.2022

#### Shiv Singh Mehta

(Chairman & Managing Director)

DIN 00023523

#### Shashank Belkhede

(Chief Financial Officer)

#### Purnima Mehta

(Director)

DIN 00023632

#### Raj kumar Bhawsar

(Company Secretary)

## Statement of Change in Equity for the year ended March 31, 2022

### A. Equity Share capital

#### (1) Current Reporting period

Equity Share Capital	Balances as at 1 <sup>st</sup> April, 2021	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2022
Paid up Capital	501.04	0.00	0.00	0.00	501.04

#### (2) Previous Reporting period

Equity Share Capital	Balances as at 1 <sup>st</sup> April, 2020	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2021
Paid up Capital	501.04	0.00	0.00	0.00	501.04

### B. Other Equity

#### (1) Current Reporting period

	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	General Reserve	Contingent Reserves	Retained Earnings	Other Items of Other Comprehensive income	
Balance as at 1 <sup>st</sup> April 2021	295.56	-	1300.00	25.00	7984.74	(5.16)	9,600.14
Changes in accounting policies and prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive income for 2021-22	-	-	-	-	3.74	5.16	8.90
Dividends	-	-	-	-	(90.19)	-	(90.19)
Transfer of retained earning	-	-	125.00	-	1,230.52	-	1,355.52
Any Other changes	-	-	-	-	(125.00)	-	(125.00)
Balance as at 31 <sup>st</sup> March 2022	295.56	-	1,425.00	25.00	9,003.82	0.00	10,749.38



## Statement of Change in Equity for the year ended March 31, 2022

### (2) Previous Reporting period

	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	General Reserve	Contingent Reserves	Retained Earnings	Other Items of Other Comprehensive income	
Balance as at 1 <sup>st</sup> April 2020	295.56	-	1,150.00	25.00	6,728.20	(1.06)	8,197.70
Changes in accounting policies and prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive income for 2020-21	-	-	-	-	(8.94)	(4.10)	(13.04)
Dividends	-	-	-	-	(90.19)	-	(90.19)
Transfer of retained earning	-	-	150.00	-	1,505.67	-	1,655.67
Any Other changes	-	-	-	-	(150.00)	-	(150.00)
Balance as at 31 <sup>st</sup> March 2021	295.56	-	1,300.00	25.00	7,984.74	(5.16)	9,600.14

Other comprehensive income related to Defined Benefit plan are reclassified as part of retained earning as per the requirement of Indas Schedule III amendment 2021

Significant accounting policies 1-5

Other Notes to the accounts 36-56

This is the Statement of changes in Equity referred to in our report of even date

#### For M Mehta & Company

Chartered Accountants

FRN:000957C

#### Nitin Bandi

(Partner)

M.No. 400394

UDIN: 22400394JXBNC1361

Place: Indore

Date : 30.05.2022

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

#### Shiv Singh Mehta

(Chairman & Managing Director)

DIN 00023523

#### Purnima Mehta

(Director)

DIN 00023632

#### Shashank Belkhe

(Chief Financial Officer)

#### Raj kumar Bhawsar

(Company Secretary)

## Significant accounting policies and notes to the accounts 31.03.2022

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

#### Note No - 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".

#### Note No - 2 Statement of Compliance of Indian Accounting Standards (Ind AS)

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared and presented the financial statements for the year ended March 31, 2022, together with the comparative period information as at and for the year ended March 31, 2021, in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

#### Note No - 3 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.

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

The company has consistently applied the accounting policies to all periods presented in these financial statements.

Historical cost measures provide monetary information about assets, liabilities and related income and expenses, using information derived, at least in part, from the price of the transaction or other event that gave rise to them. Unlike current value, historical cost does not reflect changes in values, except to the extent that those changes relate to impairment of an asset or a liability becoming onerous.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### Note No - 4 Summary of Significant Accounting Policies

##### 4.1 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.

## Significant accounting policies and notes to the accounts 31.03.2022

- (c) 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.
- (d) 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.
- (e) 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.
- (f) The depreciation for each year is recognised in the Statement of Profit & Loss unless it is included in the carrying amount of another asset
- (g) Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- (h) 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.
- (i) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.
- (j) 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.
- (k) 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 derecognised 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" and carried as inventory.

### 4.2 Leases

- (i) The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.
- (ii) The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.
- (iii) For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.
- (iv) Lessors will continue to classify all leases under same classification principles and distinguish them between two types of leases i.e. Finance Lease and Operating Lease.

### 4.3 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.

## Significant accounting policies and notes to the accounts 31.03.2022

- (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) Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. 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.
- (d) 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.
- (e) The amortisation period and the amortisation method for intangible asset with a finite useful life are reviewed at each financial year end. If the expected useful of such asset is different from the previous estimates, the changes are accounted for as change in an accounting estimate.
- (f) Intangible assets which are finite are amortized on a straight-line basis over their estimated useful lives. The residual value of such intangible assets is assumed to be zero. An intangible asset with an indefinite useful life is tested for impairment by comparing it's recoverable amount with its' carrying amount (a) annually and (b) whenever there is an indication that the intangible asset may be impaired.

### 4.4 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.

### 4.5 Research and Development Expenditure

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.

### 4.6 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.



## Significant accounting policies and notes to the accounts 31.03.2022

### 4.7 Inventories

- (a) Items of inventory of finished goods 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 .

### 4.8 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. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 4.9 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.

## Significant accounting policies and notes to the accounts 31.03.2022

### 4.10 Income Taxes

- (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

- (a) 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.
- (b) Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred tax

- (a) 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.
- (b) 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 realized, 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.
- (c) Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

### 4.11 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"

### 4.12 Revenue recognition

#### I Sale of Goods

- (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.

## Significant accounting policies and notes to the accounts 31.03.2022

### II Interest income

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

### III Dividends

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

### IV 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.

### V 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.

### VI Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

## 4.13 Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (I) Financial instruments – initial recognition and subsequent measurement.

## 4.14 Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

## 4.15 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)

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.

## Significant accounting policies and notes to the accounts 31.03.2022

### (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.

## III Derivative financial instruments

- (a) The Company uses various derivative financial instruments such as forwards & options and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- (b) At the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship in accordance with the risk management objective and strategy for undertaking the hedge.
- (c) Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.
- (d) The gains/losses on derivative contracts to hedge the cost of raw materials are adjusted in the raw material consumption.

## IV 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.

## V Derecognition 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 derecognition 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.

## VI 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 recognized in prior period accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 4.16 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.

## Significant accounting policies and notes to the accounts 31.03.2022

- (b) A liability is current when:
- It is expected to be settled in normal operating cycle;
  - It is held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting period, or
  - 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.

### 4.17 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.

### 4.18 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.

### 4.19 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 Indian Accounting Standard -7 'Statement of Cash Flows'.

## Note No - 5A 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.

The Management has considered the possible effects of Global Pandemic COVID-19 while preparing the financial statements. Refer Note No. 49

### **5A.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.

### **5A.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.

### **5A.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.

### **5A.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.

### **5A.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.

### **5A.6 Employee retirement plans**

The Company provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

## Significant accounting policies and notes to the accounts 31.03.2022

### NOTE No -5B Recent Pronouncements :

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

#### 5B.1 Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

#### 5B.2 Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

#### 5B.3 Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

#### 5B.4 Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

#### 5B.5 Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements



## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 6-7-8 Property Plant & Equipments (2021-22)

(₹ In Lakhs)

NOTE	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		01.04.2021	Additions	Deduction	Total	01.04.2021	For Year	Written back	Total	31.03.2022	31.03.2021
<b>6</b>	<b>Property Plant &amp; Equipment</b>										
<b>6.1</b>	<b>TANGIBLE ASSET</b>										
6.1.1	Free hold Land	53.59	-	-	53.59	-	-	-	-	53.59	53.59
6.1.2	Building	1,003.65	57.46	-	1,061.11	212.84	51.16	-	264.00	797.11	790.81
6.1.3	Plant & Equipment	4,083.83	615.31	-	4,699.15	962.40	250.73	-	1,213.13	3,486.02	3,121.44
6.1.4	Furniture & Fixture	51.40	0.05	-	51.45	7.33	4.90	-	12.24	39.21	44.07
6.1.5	Vehicles	32.88	3.85	-	36.73	32.30	1.29	-	33.59	3.14	0.57
6.1.6	Office Equipment	52.55	2.73	-	55.28	16.75	10.33	-	27.08	28.20	35.79
	<b>Total (6.1)</b>	<b>5,277.90</b>	<b>679.41</b>	<b>-</b>	<b>5,957.31</b>	<b>1,231.63</b>	<b>318.41</b>	<b>-</b>	<b>1,550.04</b>	<b>4,407.27</b>	<b>4,046.27</b>
6.2	ROU ASSETS										
6.2.1	Leasehold Land	72.36	-	-	72.36	4.86	0.73	-	5.59	66.77	67.50
6.2.2	Office Building	288.83	-	-	288.83	50.55	28.88	-	79.43	209.41	238.29
	<b>Total (6.2)</b>	<b>361.19</b>	<b>-</b>	<b>-</b>	<b>361.19</b>	<b>55.41</b>	<b>29.61</b>	<b>-</b>	<b>85.02</b>	<b>276.18</b>	<b>305.79</b>
	<b>Total 6</b>	<b>5,639.10</b>	<b>679.41</b>	<b>-</b>	<b>6,318.50</b>	<b>1,287.04</b>	<b>348.02</b>	<b>-</b>	<b>1,635.06</b>	<b>4,683.45</b>	<b>4,352.06</b>
<b>7</b>	<b>Work In Progress</b>										
7.1	AUC Building	6.07	86.10	57.46	34.71	-	-	-	-	34.71	6.07
7.2	AUC Plant & Equipment	250.49	877.48	615.31	512.66	-	-	-	-	512.66	250.49
7.3	AUC Office Equipment	-	2.73	2.73	-	-	-	-	-	-	-
7.4	AUC Vehicle	-	3.85	3.85	-	-	-	-	-	-	-
	<b>Total (7)</b>	<b>256.57</b>	<b>970.16</b>	<b>679.35</b>	<b>547.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>547.37</b>	<b>256.57</b>
<b>8</b>	<b>Other Intangible Aseets</b>										
8.1	Computer Software	-	-	-	-	-	-	-	-	-	-
8.2	License ( SAP )	174.73	-	-	174.73	104.15	25.39	-	129.54	45.19	70.58
8.3	Goodwill	0.00	-	-	0.00	-	-	-	-	0.00	0.00
	<b>Total (8)</b>	<b>174.73</b>	<b>-</b>	<b>-</b>	<b>174.73</b>	<b>104.15</b>	<b>25.39</b>	<b>-</b>	<b>129.54</b>	<b>45.19</b>	<b>70.58</b>
	<b>TOTAL RS.</b>	<b>6,070.39</b>	<b>1,649.57</b>	<b>679.35</b>	<b>7,040.61</b>	<b>1,391.19</b>	<b>373.41</b>	<b>-</b>	<b>1,764.60</b>	<b>5,276.01</b>	<b>4,679.20</b>

### Note No. - 6-7-8 Property Plant & Equipments (2020-21)

(₹ In Lakhs)

NOTE	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		01.04.2020	Additions	Deduction	Total	01.04.2020	For Year	Written back	Total	31.03.2021	31.03.2020
<b>6</b>	<b>Property Plant &amp; Equipment</b>										
<b>6.1</b>	<b>TANGIBLE ASSET</b>										
6.1.1	Free hold Land	53.59	-	-	53.59	-	-	-	-	53.59	53.59
6.1.2	Building	1,002.21	1.44	-	1,003.65	162.93	49.91	-	212.84	790.81	839.27
6.1.3	Plant & Equipment	3,923.28	160.56	-	4,083.83	737.48	224.91	-	962.40	3,121.44	3,185.79
6.1.4	Furniture & Fixture	51.40	-	-	51.40	2.43	4.90	-	7.33	44.07	48.97
6.1.5	Vehicles	32.88	-	-	32.88	30.54	1.77	-	32.30	0.57	2.34
6.1.6	Office Equipment	22.15	30.40	-	52.55	10.71	6.04	-	16.75	35.79	11.44
	<b>Total (6.1)</b>	<b>5,085.50</b>	<b>192.40</b>	<b>-</b>	<b>5,277.90</b>	<b>944.10</b>	<b>287.54</b>	<b>-</b>	<b>1,231.63</b>	<b>4,046.27</b>	<b>4,141.41</b>
6.2	ROU ASSETS										
6.2.1	Leasehold Land	72.36	-	-	72.36	3.89	0.97	-	4.86	67.50	68.47
6.2.2	Office Building	288.83	-	-	288.83	21.66	28.88	-	50.55	238.29	267.17
	<b>Total (6.2)</b>	<b>361.19</b>	<b>-</b>	<b>-</b>	<b>361.19</b>	<b>25.55</b>	<b>29.86</b>	<b>-</b>	<b>55.41</b>	<b>305.79</b>	<b>335.64</b>
	<b>Total 6</b>	<b>5,446.70</b>	<b>192.40</b>	<b>-</b>	<b>5,639.10</b>	<b>969.65</b>	<b>317.39</b>	<b>-</b>	<b>1,287.04</b>	<b>4,352.06</b>	<b>4,477.05</b>
<b>7</b>	<b>Work In Progress</b>										
7.1	AUC Building	0.98	6.54	1.44	6.07	-	-	-	-	6.07	0.98
7.2	AUC Plant & Equipment	21.47	389.58	160.56	250.49	-	-	-	-	250.49	21.47
7.2	AUC Office Equipment	-	30.40	30.40	-	-	-	-	-	-	-
	<b>Total (7)</b>	<b>22.45</b>	<b>426.51</b>	<b>192.40</b>	<b>256.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256.57</b>	<b>22.45</b>
<b>8</b>	<b>OTHER INTANGIBLE ASEETS</b>										
<b>8.1</b>	<b>Computer Software</b>										
8.2	License ( SAP )	164.73	10.00	-	174.73	79.90	24.26	-	104.15	70.58	84.84
8.3	Goodwill	0.00	-	-	0.00	-	-	-	-	0.00	0.00
	<b>Total (8)</b>	<b>164.73</b>	<b>10.00</b>	<b>-</b>	<b>174.73</b>	<b>79.90</b>	<b>24.26</b>	<b>-</b>	<b>104.15</b>	<b>70.58</b>	<b>84.84</b>
	<b>TOTAL RS.</b>	<b>5,633.88</b>	<b>628.91</b>	<b>192.40</b>	<b>6,070.39</b>	<b>1,049.55</b>	<b>341.65</b>	<b>-</b>	<b>1,391.19</b>	<b>4,679.20</b>	<b>4,584.34</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 6-7-8 Property Plant & Equipments (contd.)

Note:

- 1 All the title deeds related to immovable properties are in the name of the Company and the company is in possession of all the Lease agreements in respect of the ROU Assets.
- 2 The company has not revalued any of it's Plant, Property Equipment and intangible assets

#### CWIP Aging schedule

##### Ageing schedule of capital work-in-progress

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	457.63	89.74	-	-	547.37
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	244.85	11.71	-	-	256.57
Projects temporarily suspended	-	-	-	-	-

### Note No.-9 Investment

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>9.1 Non Trade Investment</b>		
<b>9.1.1 In Equity Instruments - FVTOCI</b>		
<b>9.1.1.1 Quoted</b>		
<b>9.1.1.1.1 I.D.B.I Bank Ltd</b> (2880 Shares of ₹10/- each) (Previous Year 2880 Share of ₹10/- each) Market Price as on 31.03.2021 ₹1.11 lakh	-	1.11
<b>Total</b>	<b>0.00</b>	<b>1.11</b>
Aggregate Cost of Quoted Investment	0.00	2.41
Aggregate Market Value of Investment	0.00	1.11
Aggergate amount of impairment in value of investment	0.00	1.30

### Note No.-10 Loans

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>10.1 Long Term Loan Receivable</b>		
(a) To Related Parties		
10.1.1 Loans Receivables considered good - Secured;	0.00	0.00
10.1.2 Loans Receivables considered good - Unsecured;	1000.00	1000.00
10.1.3 Loans Receivables which have significant increase in Credit Risk; and	0.00	0.00
10.1.4 Loans Receivables - credit impaired;	0.00	0.00
(b) To Others		
10.1.1 Loans Receivables considered good - Secured;		
10.1.2 Loans Receivables considered good - Unsecured;	0.00	0.00
10.1.3 Loans Receivables which have significant increase in Credit Risk; and	0.00	0.00
10.1.4 Loans Receivables - credit impaired;	0.00	0.00
<b>Total</b>	<b>1000.00</b>	<b>1000.00</b>

### Note No. - 11 Other Non Current Assets

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>Unsecured considered good</b>		
11.1 Capital Advances	0.00	84.08
11.2 Tenancy Deposit	55.43	53.36
11.3 Security Deposits	76.49	68.64
<b>Total</b>	<b>131.92</b>	<b>206.08</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. -12 Inventories

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
12.1 Raw Material	1815.46	687.53
12.2 Finished Goods	2518.52	2286.43
12.3 Stores and Spares & others	645.37	540.71
12.4 Stock In Transit Finished Goods	159.70	155.25
<b>Total</b>	<b>5139.05</b>	<b>3669.92</b>

( Inventory valued at Cost or NRV which ever is lower )

### Note No. - 13 Trade Receivable

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
13.1 Trade Receivables considered good- Secured	10.32	6.01
13.2 Trade Receivables considered good- Unsecured	1180.96	945.20
13.3 Trade Receivables which have significant increase in Credit Risk; and	0.40	11.65
13.4 Trade Receivables- credit impaired.	0.00	0.00
<b>Total</b>	<b>1191.68</b>	<b>962.86</b>
Less : Allowance for Expected bad and doubtful debts	34.58	37.29
	<b>1157.10</b>	<b>925.57</b>

Ageing schedule of trade receivables

(₹ in Lakhs)

As at 31 March 2022	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	928.42	256.16	5.46	1.23	0.00	-	1,191.28
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.40	0.40
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered goods	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

(₹ in Lakhs)

As at 31 March 2021	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	772.87	133.82	38.65	0.08	0.75	5.04	951.21
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	11.65	11.65
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered goods	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

### Note No. - 14 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>14.1 Cash &amp; Cash Equivalents</b>		
14.1.1 Balances with Banks	62.97	0.15
14.1.2 Fixed deposit	306.53	300.00
14.1.3 Cash on hand	2.07	1.96
<b>Total</b>	<b>371.57</b>	<b>302.11</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 15 Other Bank Balances

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>15.1 Other Bank Balances</b>		
15.1.1 Earmarked Balance for Unclaimed dividend	17.16	17.03
15.1.2 Earmarked Balance for CSR	36.51	0.00
15.1.3 Fixed deposit with banks held as margin money against borrowing (Maturity less than 12 Months)	207.98	198.82
<b>Total</b>	<b>261.65</b>	<b>215.85</b>

### Note No. - 16 Loans

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>(a) To Related Parties</b>		
16.1 Loans Receivables considered good - Secured;	0.00	0.00
16.2 Loans Receivables considered good - Unsecured;	1400.00	0.00
16.3 Loans Receivables which have significant increase in Credit Risk; and	0.00	0.00
16.4 Loans Receivables - credit impaired;	0.00	0.00
<b>Total</b>	<b>1400.00</b>	<b>0.00</b>

### Note No. -17 Other Current Assets

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>Unsecured, Considered good</b>		
17.1 Sundry Deposits	9.10	1.18
17.2 Central Excise Appeal	0.31	0.31
17.3 Accrued Interest/ Income	156.40	562.22
17.4 Advances recoverable in cash or kind or for value to be received		
17.4.1 Advances to Suppliers	662.36	293.37
17.4.2 Advances to employee	4.57	2.96
17.4.3 Deposit with Government Authorities	141.50	141.85
17.4.4 Input Claim and utilised Tax Credits	734.54	341.26
17.4.5 MEIS license in hand	297.56	0.00
17.4.6 Prepaid Expenses	30.94	63.79
17.4.7 Interest Accrued and Due on Loans	23.47	18.15
<b>Total</b>	<b>2060.76</b>	<b>1425.08</b>

### Note No. -18 Equity Share Capital

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>18.1 AUTHORIZED</b>		
<b>18.1.1 100000000 Equity Shares of ₹1/- each</b>	<b>1000.00</b>	<b>1000.00</b>
(Previous Year 100000000 Equity Shares of ₹1/- each )		
<b>18.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
<b>18.2.1 50103520 equity shares of ₹1/- each fully paid up.</b>		
(Previous year 50103520 shares of ₹1/- each)		
<b>18.2.2 Reconciliation of shares</b>		
<b>18.2.2.1 Opening Balance of 50103520 equity shares of ₹1/- each (Nos)</b>	<b>50103520</b>	<b>50103520</b>
<b>18.2.2.2 Issued during the year</b>	<b>0.00</b>	<b>0.00</b>
<b>18.2.2.3 Closing Balance 50103520 equity shares of ₹1/- each</b>	<b>501.04</b>	<b>501.04</b>
	<b>501.04</b>	<b>501.04</b>

#### 18.3 Rights, Preference and restrivitions attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹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.



## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. -18 Equity Share Capital (contd.)

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.

#### 18.4 Shareholder holding more than 5 % of shares of the company and its percentage (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>18.4.1 SAKAM TRADING PRIVATE LIMITED ( HOLDING COMPANY )</b>		
No. of Shares	26099473	26099473
% of Shares	52.09%	52.09%
<b>18.4.2 CHETAK BUILDERS PRIVATE LIMITED ( FELLOW SUBSIDIARY)</b>		
No. of Shares	4732751	4732751
% of Shares	9.45%	9.45%

#### 18.5 Promoter's Share holding

For the year 2021-22

Name of promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Shiv Singh Mehta	2040312	4.07	2040312	4.07	0.00
Purnima Mehta	220783	0.44	213809	0.43	0.01
Raj Kumari Kothari	0	0.00	0	0.00	0.00
Devki Mehta	38736	0.08	36736	0.07	0.01
Saurabh Mehta	30440	0.06	30440	0.06	0.00
Sakam Trading Private Limited	26099473	52.09	26099473	52.09	0.00
Chetek Builders Private Limited	4732751	9.45	4732751	9.45	0.00
Kriti Specialties Private Limited	90,000	0.18	90,000	0.18	0.00
<b>Total</b>	<b>33252495</b>	<b>66.37</b>	<b>33243521</b>	<b>66.35</b>	<b>0.02</b>

For the year 2020-21

Name of promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Shiv Singh Mehta	2040312	4.07	2040312	4.07	0.00
Purnima Mehta	213809	0.43	130529	0.26	0.17
Raj Kumari Kothari	0	0.00	83280	0.17	-0.17
Devki Mehta	36736	0.07	36736	0.07	0.00
Saurabh Mehta	30440	0.06	30440	0.06	0.00
Sakam Trading Private Limited	26099473	52.09	26099473	52.09	0.00
Chetek Builders Private Limited	4732751	9.45	4732751	9.45	0.00
Kriti Specialties Private Limited	90,000	0.18	90,000	0.18	0.00
<b>Total</b>	<b>33243521</b>	<b>66.35</b>	<b>33243521</b>	<b>66.35</b>	<b>0.00</b>

#### 18.6 The company during the preceeding five years

18.6.1 has not allotted shares pursuant to the contract without payment being received in cash;

18.6.2 has not issued shares by way of bonus shares

18.6.3 has not bought back any shares

**18.7** The Board of Directors of the Company has recommended Final dividend of ₹0.18 /- per share (Previous year ₹0.18/- per share) aggregating to ₹90.19 Lacs which has not been recognised in the Financial Statements

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. -19 Other Equity

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>19.1 RESERVES</b>		
<b>19.1.1 General Reserve</b>		
19.1.1.1 Opening Balance	1300.00	1150.00
19.1.1.2 Add: Transfer from Statement of Profit & Loss	125.00	150.00
19.1.1.3 Closing Balance	1425.00	1300.00
<b>19.2 Capital Reserve</b>		
19.2.1 Opening Balance	295.56	295.56
19.2.2 Transfer during the year	0.00	0.00
Closing Balance	295.56	295.56
<b>19.3 Contingency Reserve(Free Reserve)</b>		
19.3.1 Opening Balance	25.00	25.00
19.3.2 Add: Transfer from Statement of Profit & Loss	0.00	0.00
Closing Balance	25.00	25.00
<b>19.4 RETAINED EARNINGS</b>		
19.4.1 Statement of Profit & Loss		
19.4.2 Opening Balance	7993.68	6728.20
19.4.3 Add Profit & Loss during the year	1230.52	1505.67
<b>Less:</b>		
19.4.4 Final Dividend @ ₹0.18 Per Share	(90.19)	(90.19)
19.4.5 Corporate Dividend Tax	0.00	0.00
19.4.6 Transferred to General Reserve	(125.00)	(150.00)
<b>Balance in Surplus</b>	9009.02	7993.68
<b>19.5 Other Reserves</b>		
19.5.1 Opening Balance	(14.10)	(1.06)
19.5.2 Other Comprehensive Income during the year	8.90	(13.04)
19.5.3 Closing Balance	(5.19)	(14.10)
	9003.83	7979.59
<b>Total Other Equity</b>	<b>10749.38</b>	<b>9600.14</b>

#### 16.6 Brief Description of items of Other Equity are as given under:

##### 16.6.1 General Reserve

The Company has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend

##### 16.6.2 Capital Reserve

(Arisen due to scheme of arrangement as approved by the Hon'ble High Court of M.P.,Indore Bench )

##### 16.6.3 Contingency Reserve(Free Reserve)

Contingency Reserve has been created to meet any known / unknown risk which may occur in future

##### 16.6.4 Retained Earnings

Amount of retained earnings represents accumulated profit & losses of the Company as on the date of Balance sheet. Such profit and loss after adjustment of payment of dividend, transfer of any reserve as required by any statute

##### 16.6.5 Other Reserves

Other reserves represents gain / loss on remeasurrment of equity and debt instruments and remeasurement of defined plans.

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. -20 Lease Liabilities

20.1 The Company has entered into lease contract for its office building and as per IND AS 116, the Right of use Assets have been created and Lease Liability for the same has been accounted for.

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
20.2 Reconciliation of Lease Liabilities		
Opening Balance as on 01 <sup>st</sup> April	270.63	282.17
Addition during the year	0.00	0.00
Deletions during the year	0.00	0.00
Accredition of Interest	0.00	0.00
Lease Liabilities paid during the year	14.81	11.54
Balance as on 31 <sup>st</sup> March	<b>255.82</b>	<b>270.63</b>
Out of Above		
Current Liability	<b>18.53</b>	<b>14.81</b>
Non Current Liability	<b>237.29</b>	<b>255.82</b>
20.3 Amounts recognised in Statement of Profit & Loss		
Depreciation on right of use assets	29.61	29.86
Interest Expenses on lease liabilities	27.90	29.14
Expenses relating to short term leases	0.24	0.24
Expenses relating to low value assets lease	4.56	4.56
Variable lease payments	0.00	0.00

### Note No. -21 Provisions

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
21.1 Provision for Employees Benefits (Gratuity)	30.28	19.46
<b>Total</b>	<b>30.28</b>	<b>19.46</b>
Out of Above		
Current Liability	18.92	14.47
Non Current Liability	11.36	4.99
	<b>30.28</b>	<b>19.46</b>

(Refer NoteNo. 39 for detailed disclosure relating to Employee Benefits)

### Note No. -22 Deferred Tax Liability

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>22.1 Deferred Tax Liability (Net)</b>	480.06	482.78
<b>Total</b>	<b>480.06</b>	<b>482.78</b>
<b>22.2 Component of Deferred Tax Asset / Liabilities</b>		
Difference on account of Property Plant & Equipment	500.92	497.07
Difference on account of Employee related Payments	(12.16)	(4.90)
Difference on Provision deductible for tax purpose in future period	(8.70)	(9.39)
<b>Total Deferred Asset/(Liability) on Timing Difference</b>	<b>480.06</b>	<b>482.78</b>
Closing Balance of Deferred Tax Asset/(Liability)	480.06	482.78
Less: Opening Balance of Deferred Tax Asset/ (Liability)	482.78	499.56
Deferred Tax Asset/(Liability) for the year	(2.72)	(16.78)

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 23 Short Term Borrowings

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>23.1 Loans repayable on Demand</b>		
<b>23.1.1 SECURED</b>		
From banks	0	83.17
(Loan is Secured by hypothecation of finished goods, Raw material, Stock in process, stores and spares, Trade receivables and charge on fixed assets of the company and personal guarantee of Executive Director) (Interest is payable @ 2% above 6 MCLR)		
<b>23.1.2 UNSECURED</b>		
From banks	3500.00	0.00
(Loan is repayable on Demand) (Interest is payable @ 6%)		
<b>Total</b>	<b>3500.00</b>	<b>83.17</b>

The company has utilised the borrowings from the Banks for the specific purpose for which the same is taken

### Note No. - 24 Trade Payables

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>24.1 Trade Payable</b>		
(a) total outstanding dues of micro enterprises and small enterprises and	76.15	0.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	605.26	722.60
<b>Total</b>	<b>681.41</b>	<b>722.60</b>

#### Ageing schedule of trade payables

(Amount in ₹)

As at 31 March 2022	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	70.75	5.40	-	-	-	76.15
Others	440.04	155.81	4.29	1.31	3.81	605.26
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-

(Amount in ₹)

As at 31 March 2021	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	-	-	-	-	-	-
Others	449.95	265.81	1.83	2.83	2.17	722.60
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
a) The principal amount remaining unpaid to any supplier at the end of the year	76.15	0.00
b) Interest due remaining unpaid to any supplier at the end of the year	0.00	0.00
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	0.00	0.00
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0.00	0.00



## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 24 Trade Payables (contd.)

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.00	0.00
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	0.00	0.00

### Note No. - 25 Other Financial Liabilities

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
25.1 Unpaid dividends	17.16	17.03
25.2 Employees Payable	71.66	69.33
<b>Total</b>	<b>88.82</b>	<b>86.35</b>

### Note No. - 26 Other Current Liabilities

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
26.1 Outstanding Expenses	243.66	211.10
26.2 Statutory Liabilities	35.91	54.01
26.3 Customer Credit Balance	87.70	284.56
26.4 Provision for Employees Benefits	44.68	43.01
26.5 Security Deposits from Dealers	23.41	28.90
<b>Total</b>	<b>435.36</b>	<b>621.57</b>

### Note No. - 27 Current Tax Liabilities

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
27.1 Provision of Income Tax (Net of Advance Tax and TDS)	75.88	37.18
<b>Total</b>	<b>75.88</b>	<b>37.18</b>

### Note No. - 28 Revenue From Operations

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
28.1 Sale of Products	75101.56	68574.77
28.2 Other operating revenues (DDB & MEIS)	186.46	430.80
<b>Total</b>	<b>75288.02</b>	<b>69005.57</b>

### Note No. - 29 Other Income

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
29.1 Interest On FDR	15.52	13.43
29.2 Interest From Related Parties	114.76	145.05
29.3 Interest On Deposit	2.87	2.85
29.4 Interest Others	0.06	0.18
29.5 Government Grant	0.00	17.00
29.6 Other Mis Income	8.01	5.46
29.7 Provision for credit loss written back (Net)	2.71	0.00
29.8 Profit on Sale of Mutual Funds	0.00	10.26
29.9 Net gain/ loss on foreign currency transactions	191.45	50.84
<b>Total</b>	<b>335.38</b>	<b>245.07</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 30 Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>30.1 Inventory at The End of Year</b>		
(a) Finished and semi finished goods	2518.52	2286.43
(b) Stock-in-Trade	159.70	155.25
	<b>2678.22</b>	<b>2441.68</b>
<b>30.2 Inventory at the beginning of the year</b>		
(a) Finished and semi finished goods	2286.43	1444.43
(b) Stock-in-Trade	155.25	148.31
	<b>2441.68</b>	<b>1592.73</b>
<b>30.3 Increase/(decrease)</b>	<b>(236.53)</b>	<b>(848.95)</b>

### Note No. - 31 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
31.1 Salaries & Wages	993.36	874.84
31.1.1 Director Remuneration	102.95	101.62
31.1.2 P.F on Director Remuneration	5.76	5.76
31.2 Contribution to provident and other fund	83.94	77.83
31.3 Staff Welfare Expenses	27.50	38.12
<b>Total</b>	<b>1213.51</b>	<b>1098.17</b>

### Note No. - 32 Financial Cost

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
32.1 Interest Expenses	143.82	26.68
32.2 Other Borrowing Cost	38.83	38.02
32.2 Finance Cost Lease	27.90	29.14
<b>Total</b>	<b>210.55</b>	<b>93.84</b>

### Note No. - 33 Depreciation and Amortization

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
33.1 Depreciation on Property Plant & Equipment	318.41	287.54
33.2 Depreciation on Right of Use Assets	29.61	29.86
33.3 Amortization of Intangible Assets	25.39	24.26
<b>Total</b>	<b>373.41</b>	<b>341.65</b>

### Note No. - 34 Other Expenses

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>(I)</b>		
34.1 Stores and Spares Consumed	341.50	305.46
34.2 Hexane Consumed	150.62	186.48
34.3 Chemicals Consumed	379.33	464.12
34.4 Coal Consumed	584.00	661.10
34.5 Power Charges	545.34	625.59
34.6 Freight & Cartage	167.66	196.45
34.7 Repairs & Maintenance	73.86	64.02
34.8 Insurance Charges	64.82	61.57
34.9 Water Charges	44.72	58.35
34.10 Miscellaneous Manufacturing Expenses	79.36	72.11
<b>Sub Total (I)</b>	<b>2431.19</b>	<b>2695.25</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 34 Other Expenses (contd.)

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>(II)</b>		
34.11 Stationery & Printing	15.98	19.28
34.12 Rent, Rates and Taxes	9.07	10.06
34.13 Postage, Telegram and Telephones	12.99	5.51
34.14 Payment to Auditors	2.75	2.25
34.15 Conveyance Expenses	14.74	14.90
34.16 Legal & Professional Charges	195.52	92.28
34.17 Director's Meeting Fee	3.32	4.12
34.18 Miscellaneous Expenses	47.95	64.80
34.19 Loss on Sale of Investment	5.10	0.00
34.20 Corporate Social Responsibility	46.39	49.70
34.21 S Balances Written Off	9.66	0.71
34.22 Bad debts	11.65	0.00
34.23 Net Loss on foreign currency Transactions	0.00	60.63
<b>Sub Total (II)</b>	<b>375.12</b>	<b>324.23</b>
<b>(III)</b>		
34.21 Advertisement & Publicity	2.62	5.34
34.22 Sales Promotion Expenses	195.37	172.34
34.23 Brokerage & Commission	10.63	10.48
34.24 Freight Outward	308.25	171.16
34.25 Sales Tax ,Octroi & GST Expenses	3.95	8.33
34.26 Export Expenses	790.06	1045.00
34.27 Provision for Expected Credit Loss	0.00	8.68
34.28 Travelling Expenses	63.96	67.98
<b>Sub Total (III)</b>	<b>1374.84</b>	<b>1489.31</b>
<b>TOTAL ( I+II+III )</b>	<b>4181.15</b>	<b>4508.79</b>
Breakup of Payment to Auditors		
Statutory Audit Fees	1.3	1.5
Tax Audit Fees	0.25	0.25
Limited Review Report	1.2	0
Certification Charges & Other matters.	0	0.5
	<b>2.75</b>	<b>2.25</b>

### Note No. - 35 Tax Expenses

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
<b>35.1 Income tax expenses recognised in Statement of Profit &amp; Loss</b>		
Current Tax Expenses	450.00	525.91
Tax Adjustment for Earlier Years	5.36	13.49
Defferd Tax for the year	-2.72	-16.78
	<b>452.64</b>	<b>522.62</b>
<b>35.2 Reconciliation of estimated income tax to income tax expense</b>		
Profit Before Tax as per P&L	1683.16	2028.29
Expected income tax expense at statutory income tax rate of 25.168 % (Previous year : 25.168 %)	423.62	510.48
<b>Tax Effect of adjustments to reconcile Income Tax Expenses reported</b>		
Income Exempt from Tax	0.00	-2.58
Long Term Capital Gains / Losses	1.28	1.03
Expenses not deductible in determining Taxable Profit	122.27	22.07
Expenses deducted in determining Taxable Profit	-97.17	-5.08
<b>Total Adjustemnt</b>	<b>26.39</b>	<b>15.43</b>
Income Tax Expenses recognised in the Statement of Profit and Loss	450.00	525.91

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 36 Contingent liabilities and Commitments

#### 36.1 Contingent Liabilities to the extent not provided for

##### 36.1.1 Claims against company not acknowledge as debt by the company are as under: (in Lacs)

S. No.	Particulars	As on 31.03.2022		As on 31.03.2021	
		Amount of Demand	Amount deposited against Demand	Amount of Demand	Amount deposited against Demand
1	Demand for MP VAT Tax various years pending appeals at various levels	162.96	47.67	162.96	47.67
2	Demand for Entry Tax Act various years pending appeals at various levels	155.55	78.80	155.55	78.80
3	Demand for Central Sales Tax Act various years pending appeals at various levels	127.25	13.00	127.66	13.10
4	CENVAT	3.44	0.31	3.44	0.31
5	Civil case	31.71	0.00	21.63	0.00

**36.1.2** In year 2010 Kriti Industries (India) Limited demerged their oil division in 3 companies and one out of them was Kriti Nutrients Limited, Dewas. The Kriti Nutrients Limited's factory is situated in Dewas on MPAKVN Land. MPAKVN has demanded lease rent of ₹117.45 Lakhs for transfer of land in the name Kriti Nutrient Limited. But as per the legal opinion this is not transfer of land since the Management and the Managing Director is same. Hence the company has filed a case in High Court vide Case No. 3111/2012, dated 22/03/2012, against MPAKVN and obtained stay order against payment of demand for lease rent. Based on the High Court's order the company has provided Bank Guarantee for ₹117.45 Lakhs till final decision of the matter.

**36.1.3** Bank has given guarantee on behalf of the Company to various parties to the extent of ₹137.73 Lakhs including ₹117.45 Lakhs mentioned in the point above (Previous Year ₹137.73 Lakhs.).

#### 36.2 Commitments

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
36.2.1 Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account	0.00	240.51

### Note No. - 37 Remuneration Paid/Payable to Managing Director / Executive Director (₹ in Lakhs)

Paid / Payable	31.03.2022	31.03.2021
Remuneration	59.76	59.76
Commission	48.95	47.62

### Note No. - 38 Corporate Social Responsibility (₹ in Lakhs)

	31.03.2022	31.03.2021
(i) Amount required to be spent by the company during the year	46.39	49.7
(ii) Amount spent during the year	9.85	13.19
(iii) Shortfall at the end of the year	36.54	36.51
(iv) Total of previous years shortfall	36.51	
(v) Amount deposited in a Separate Bank Account towards Projects	36.54	36.51
(vi) Nature of CSR activities	Promoting Education, Health Care and measure for the benefit of armed forces veterans etc.	Promoting education, health care, eradicating hunger, poverty and malnutrition, Contribution to incubators or research and development projects.
(vii) Details of related party transaction	-	-
(viii) Any amount paid under contractual agreement	-	-

(ix) Reason for shortfall: The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements.



## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 39 Employee Benefit Obligations

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.

#### 39.1 Defined Benefit Plans

##### (i) Gratuity

The Company has schemes (funded) for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972

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

##### (a) Funded status of the plan (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Present value of unfunded obligations	0.00	0
Present value of funded obligations	140.64	136.47
Fair value of plan assets	-110.36	-117.01
<b>Net Defined Benefit Liability/(Assets)</b>	<b>30.28</b>	<b>19.46</b>

##### (b) Profit and loss account for the period (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Service cost:		
Current service cost	14.47	11.66
Net interest cost	0.77	-0.47
Expected Return on Plan Assets	0.00	0
Actuarial Gain/Loss	0.00	0
<b>Total included in 'Employee Benefit Expenses/(Income)</b>	<b>15.24</b>	<b>11.18</b>

##### (c) Other Comprehensive Income for the period (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	-1.58	
Due to experience adjustments	1.55	8.24
Return on plan assets excluding amounts included in interest income	-3.72	0.70
Amounts recognized in Other Comprehensive (Income) / Expense	-3.75	8.94

##### (d) Reconciliation of defined benefit obligation (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Opening Defined Benefit Obligation	136.47	110.18
Current service cost	14.47	11.66
Interest cost	8.01	21.28
Components of actuarial gain/losses on obligations:		
Due to financial assumption	-1.58	
Due to experience adjustments	1.55	8.24
Benefit paid from fund	-18.29	-14.89
<b>Closing Defined Benefit Obligation</b>	<b>140.64</b>	<b>136.47</b>

##### (e) Reconciliation of plan assets (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Opening value of plan assets	117.01	124.05
Interest Income	7.24	7.88
Return on plan assets excluding amounts included in interest income	3.72	-0.70
Contributions by Employer	0.68	0.66
Benefits paid	-18.29	-14.89
<b>Closing value of plan assets</b>	<b>110.36</b>	<b>117.01</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 39 Employee Benefit Obligations (contd.)

#### (f) Reconciliation of asset Ceiling (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Opening value of asset ceiling	0.00	0.00
Interest on opening value of asset ceiling	0.00	0.00
Loss/(gain) on assets due to surplus/deficit	0.00	0.00
<b>Closing value of plan asset ceiling</b>	<b>0.00</b>	<b>0.00</b>

#### (g) Composition of the plan assets

Particulars	31.03.2022	31.03.2021
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### (h) Reconciliation of Net Defined Benefit Liability/(Assets) (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Net opening provision in books of accounts	19.46	0.00
Transfer in/(out) obligation	0.00	0.00
Transfer (in)/out plan assets	0.00	0.00
Employee Benefit Expense as per (b)	15.25	11.18
Amounts recognized in Other Comprehensive (Income) / Expense	-3.75	8.94
	<b>30.96</b>	<b>20.12</b>
Benefits paid by the Company	0.00	0
Contributions to plan assets	-0.68	-0.66
<b>Closing provision in books of accounts</b>	<b>30.28</b>	<b>19.46</b>

#### (i) Principle actuarial assumptions

Particulars	31.03.2022	31.03.2021
Discount Rate	6.55% p.a.	6.35% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Withdrawal Rates	10.00% p.a at all ages	10.00% p.a at all ages
Rate of Return on Plan Assets	6.55% p.a.	6.35% p.a.

#### (j) Sensitivity to key assumptions

Particulars	31.03.2022	31.03.2021
<b>Discount rate Sensitivity</b>		
Increase by 0.5%	136.84	132.70
(% change)	-2.70%	-2.76%
Decrease by 0.5%	144.65	140.44
(% change)	2.85%	2.91%
<b>Salary growth rate Sensitivity</b>		
Increase by 0.5%	144.46	140.00
(% change)	2.72%	2.59%
Decrease by 0.5%	136.86	133.08
(% change)	-2.69%	-2.48%
<b>Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	140.18	136.46
(% change)	-0.33%	0.00%
W.R. x 90%	141.11	136.44
(% change)	-0.33%	-0.02%

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 39 Employee Benefit Obligations (contd.)

#### (k) A description of methods used for sensitivity analysis and its Limitations

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

#### (l) A Description of any Asset-Liability Matching Strategies

It was informed by the company that Gratuity Benefits liabilities of the company are Funded. There are no minimum funding requirements for a Gratuity Benefits plan and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

#### (m) The Effect of the Plan on the Entity's Future Cash Flows

The Company has Purchased an Insurance policy to settle the Gratuity Payment to their employees. Company may do the contribution every years based on the funding valuation carry out by insurance company based on the latest data provided by Company.

#### (ii) Leave Encashment

The leave obligation cover the Company's liability for earned leave. The entire amount of the provision of ₹18.02 Lacs (year ended 31/03/2021 ₹17.16 Lacs) is presented as current, since the company does not have an unconditional right to defer settlement for these obligations. Expected amount towards settlement of Leave for the next 12 months are ₹18.02 Lacs (year ended 31/03/2021 ₹17.16 Lacs).

### 39.2 Defined Contribution Plans

#### (i) Provident Fund

The Company contribution towards Provident Fund is paid to the Central Government is debited to the statement of profit and loss. The amount debited to the statement of profit and loss during the year was ₹21.71 Lacs (year ended 31/03/2021 ₹16.82 Lacs)

### Note No. - 40 Segment Reporting

(a) The Company is primarily in the business of Oil Seed extraction and refining. The CMD of the Company, who has been identified as the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no other reportable segment for the Company as per Ind AS 108-Operating Segments

#### (b) Other Disclosure

Particulars	31.03.2022	31.03.2021
<b>(i) Revenue from Operations</b>		
With in India	63768.22	59466.96
Outside India	11519.80	9538.61
<b>Total</b>	<b>75288.02</b>	<b>69005.57</b>
<b>(ii) Non Current Assets</b>		
With in India	6407.92	5886.39
Outside India	0.00	0.00
<b>Total</b>	<b>6407.92</b>	<b>5886.39</b>

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 40 Segment Reporting (contd.)

#### (c) Other Information

- (i) No customer individually accounted for more than 10% of the company's revenue.
- (ii) Domestic information includes sales to customers located in India.
- (iii) Overseas information includes sales rendered to customers located outside India.
- (iv) Non-current segment assets includes property, plant and equipment, capital work in progress, intangible assets, capital advances and right of use assets

### Note No. - 41 Earning per Share

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Number of Shares	50103520	50103520
Profit contribution for Basic EPS (₹ in Lakhs)	1230.52	1505.67
Basic Earnings Per Share	2.46	3.01
Diluted Earning Per Share	2.46	3.01
Nominal Value Per Share	1	1

### Note No. - 42 Related Party Transactions

#### 42.1 Names of Related Parties and Related Party Relationship

##### (i) Key Management Personnel:

Shri Shiv Singh Mehta, Chairman & Managing Director  
 Shri Saurabh Singh Mehta, Executive Director  
 Smt. Purnima Mehta, Director  
 Shri Manoj Fadnis, Independent Director  
 Shri Chandrasekharan Bhaskar, Independent Director  
 Shri Rakesh Kalra, Independent Director  
 Shri SC Jajoo, Chief Financial Officer (ceased w.e.f. 1<sup>st</sup> Nov 2020)  
 Shri Shashank Belkhede, Chief Financial Officer (appointed w.e.f. 1<sup>st</sup> Nov 2020)  
 Shri Sachin Upadhyay, Company Secretary (ceased w.e.f. 21<sup>st</sup> Feb 2021)  
 Smt Swati Tiwari, Company Secretary (appointed w.e.f. 24<sup>th</sup> March 2021 & ceased w.e.f. 16 August 2021)  
 Shri Raj Kumar Bhawsar, Company Secretary (appointed w.e.f. 16 August 2021)

##### (ii) Relatives of Key Management Personnel

Smt. Devki Hirawat (Daughter of Chairman & Managing Director)  
 Smt. Nidhi Mehta (Wife of Executive Director)

##### (iii) Parent Company

Sakam Trading Pvt. Ltd. (Holding Company)

##### (iv) Companies/Entities under the control of Key Management Personnel

Kriti Industries (I) Ltd. (Fellow Subsidiary.)  
 Chetak Builders Pvt. Ltd. (Fellow Subsidiary.)  
 Kriti Auto & Engineering. Plastics Pvt. Ltd. (Wholly owned subsidiary of Kriti Industries (I) Ltd)  
 Sakam Charitable Trust, Indore



## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 42 Related Party Transactions (contd.)

#### 42.2 The details of the related party transactions entered into by the Company

##### 42.2.1 Remuneration to KMP

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Shri Saurabh Singh Mehta	90.95	107.38
Shri Shiv Singh Mehta	17.75	0.00
Shri SC Jajoo, Chief Financial Officer (ceased w.e.f. 1 <sup>st</sup> Nov 2020)	0.00	16.77
Shri Sachin Upadhyay, Company Secretary( ceased w.e.f. 21 <sup>st</sup> Feb2021)	0.00	3.22
Shri Shashank Belkhede, Chief Financial Officer	34.98	14.48
Smt Swati Tiwari, Company Secretary (ceased w.e.f. 16 August 2021)	2.28	0.36
Shri Raj Kumar Bhawsar, Company Secretary (appointed w.e.f. 16 August 2021)	9.78	0.00

##### 42.2.2 Sales of export scheme incentive License

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	67.69	77.87

##### 42.2.3 Sale of Consumable Items

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	0.00	0.00

##### 42.2.4 Purchase of Consumable Items

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	8.45	4.86

##### 42.2.5 Purchase of Machinery

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Auto & Engineering. Plastics Pvt. Ltd. (Wholly owned subsidiary of Kriti Industries (I) Ltd)	0	43.26

##### 42.2.6 Unsecured Loan Given

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	5550.00	3400.00

##### 42.2.7 Unsecured Loan Received Back

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	4150.00	3600.00

##### 42.2.8 Interest Received on Loan

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	114.76	145.05

##### 42.2.9 Rent Paid

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Shri Shiv Singh Mehta, Chairman & Managing Director	0.24	0.28

##### 42.2.10 Director Sitting Fees

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Shri Manoj Fadnis , Independent Director	0.84	1.04
Shri Chandrasekharan Bhaskar, Independent Director	0.80	1.00
Shri Rakesh Kalra , Independent Director	0.84	1.04
Smt. Purnima Mehta(Wife of Chairman & Managing Director)	0.84	1.04

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 42 Related Party Transactions (contd.)

#### 42.3 The details of closing Balances of the related party

##### 42.3.1 Remuneration Payable

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Shri Saurabh Singh Mehta, Executive Director	33.54	47.62
Shri Shiv Singh Mehta, Chairman & Managing Director	17.75	0.00
Shri Shashank Belkhede, Chief Financial Officer	1.91	2.84
Smt Swati Tiwari, Company Secretary	-	0.36
Shri Raj Kumar Bhawsar, Company Secretary (appointed w.e.f. 16 August 2021)	1.43	0.00

##### 42.3.2 Recievable

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	68.13	0.05

##### 42.3.3 Unsecured Loan given

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	2400.00	1000.00

##### 42.3.4 Interest Receivable on Loan

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	28.52	16.58

##### 42.3.5 Current Liabilities

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Shri Shiv Singh Mehta, Chairman & Managing Director	0.06	0.07

##### 42.3.6 Rent Deposit

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Shri Shiv Singh Mehta, Chairman & Managing Director	0.48	0.48

### Note No. - 43 Capital Management

#### 43.1 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 maximize 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.

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Interest Bearing Loans and Borrowings	3500.00	0.00
Current maturities of Long Term debts	0.00	0.00
Gross Debt	3500.00	0.00
Less: Cash and Cash Equivalents	371.57	302.11
Net Debt(A)	3128.43	0.00
Total Equity (as per Balance Sheet) (B)	11250.42	10101.18
Net Gearing (A/B)	0.28	0.00

#### 43.2 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.

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 43 Capital Management (contd.)

#### (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 6 M 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 31<sup>st</sup> March, 2022 would have been decreased/ increased by ₹19.06 Lakhs (Previous year 2.94 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 hedges foreign exchange receivables to balance financial risk.

#### (ii) Credit Risk

Company sales 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 and to reputed overseas customers on 90 days credit basis. Hence the receivable risk is minimum.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

#### (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 twelve months 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 .

### Note No. - 44 Financial Instruments

#### A Fair Value Measurement

The following table shows the carrying amounts of Financial Assets and Financial Liabilities by category : (₹ in Lakhs)

	31.03.2022		31.03.2021	
	Amortised Cost	FVTOCI	Amortised Cost	FVTOCI
<b>Financial Assets:</b>				
(i) Investments		0.00		1.11
(ii) Loans	2400.00		1000.00	
(iii) Trade Receivables	1157.10		925.57	
(iv) Cash and cash equivalents	371.57		302.11	
(v) Bank balances other than above	261.65		215.85	
<b>Financial Liabilities:</b>				
(i) Lease Liability	255.82		270.63	
(ii) Other Financial Non Current Liabilities				
(iii) Borrowings	3500.00		83.17	
(iv) Trade payables	681.41		722.60	
(v) Others financial liabilities	88.82		86.35	

Note: No Assets and Liabilities have been measured on FVTPL.

#### B Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 44 Financial Instruments (contd.)

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This Level consists of investment in quoted equity shares and mutual funds.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### Financial Assets:

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
(i) Investments		
Investment in mutual funds	0.00	0.00
Investment in equity shares	0.00	0.11

Note: No Investments have been measured using Level 2 and Level 3 Valuation technique

### Note No. - 45 Loans Given & Investment made in accordance with section 186 of Companies Act 2013

a Details of investments made have been given as part of Note '9' Investments

b Loans and Financial Guarantees given below

(₹ in Lakhs)

Name of Company	Relationship	Nature of Transaction	31.03.2022	31.03.2021
Kriti Industries India Limited	Fellow Subsidiary	Loan	2400.00	1000.00

c Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below

(₹ in Lakhs)

Name of Company	31.03.2022	Maximum Outstanding during 21-22	31.03.2021	Maximum Outstanding during 20-21
Kriti Industries India Limited	2400.00	2400.00	1000.00	1200.00

### Note No. - 46 :

The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out belows.

(₹ in Lakhs)

Name of Bank		State Bank of India and HDFC		
Aggregate working capital limits sanctioned		2200		
Quarter ended	Amount utilised during the quarter	Amount Disclosed as per quarterly return/statement	Amount as per books of account	Difference
30.06.2021	209.60	5,423.08	5,540.81	(117.73)
30.06.2020	0.00	5,970.07	5,995.62	(25.55)
30.09.2021	0.00	2,578.58	2,630.03	(51.45)
30.09.2020	318.33	3,416.53	3,421.06	(4.53)
31.12.2021	937.63	9,563.87	10,421.61	(857.74)
31.12.2020	219.79	7,771.23	8,102.58	(331.35)
31.03.2022	0.00	6,972.13	6,972.13	-
31.03.2021	77.19	4,456.00	4,652.92	(196.92)

Reason for variance in all the quarters: Few Material items not considered in stock statement



## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### NOTE NO - 47 : Ratios

(₹ in Lakhs)

47.1	Particulars	31.03.2022	31.03.2021	% Variance
(i)*	Current Ratio ( Current assets / Current Liabilities )	2.16	4.14	-48%
(ii)**	Debt to Equity Debts / shareholder's Equity	0.31	0.01	3678%
(iii)***	Debt Service Coverage ratio* (Profit after tax+Depreciation+Finance Cost)/(interest and lease payment+ principal)	8.64	20.69	-58%
(iv)	Return on Equity ( PAT / Average shareholder Equity )	12.00%	16.00%	-24%
(v)	Inventory Turnover ratio ( COGS / Average Inventory)	16.33	18.94	-14%
(vi)****	Trade receivable Turover ratio ( Revenue from operations / Average Debtors)	72.30	43.46	66%
(vii)	Trade payable Turover ratio ( Raw material+Other expenses / Average Trade payable)	103.10	95.39	8%
(viii)	Net capital turnover ratio (Revenue from operation/Average working capital)	14.30	15.47	-8%
(ix)	Return on Sales ( PA T / Sales )	1.64%	2.18%	-25%
(x)	Return on capital Employed ( EBIDT / E.Capital + Reserves & Surplus + Lease liability )	19.74%	23.79%	-17%
(xi)	Return on Investment ( Increase/ (decrease ) in market price of Investment/ Opening Market price of investment)	N.A.	98.21%	N.A

#### 47.2 Reason for variation more than 25%

- \* The ratio shows decline as the Company had taken short term loan of ₹3500 lacs in the month of Feb, payable on 60<sup>th</sup> day.
- \*\* The ratio is increased as the company had availed short term loan of ₹3500 lacs in the month of Feb for 60 days and debt as on 31<sup>st</sup> March 2021 was nil
- \*\*\* The ratio shows decline due to increase in Interest cost
- \*\*\*\* The ratio is improved due to higher cash sale /sales against advance.

### Note No. - 48

The amount of Foreign Exchange gain/ (loss) included in the statement of profit & loss account is ₹191.45 Lakhs (Previous Year gain/ (loss) ₹50.84 Lakhs).

### Note No.- 49

The company has entered into derivative contracts on NCDEX to hedge the cost of raw material. At the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship in accordance with the risk management objective and strategy for undertaking the hedge. The gains of ₹170.25 lakhs (previous year ₹245.17 Lacs) on such derivative contracts have been adjusted against the raw material consumption.

### Note No. - 50 Events after the reporting period

The Board of Directors have recommended dividend of ₹0.18/- per fully paid up equity share of ₹1/- each, aggregating ₹9018634/- for the financial year 2021-22, which is based on relevant share capital as on March 31,2022. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### Note No. - 51 - Other Regulatory Disclosures

- 51.1 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- 51.2 The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- 51.3 The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- 51.4 The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- 51.5 No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- 51.6 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- 51.7 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 51.8 The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 51.9 The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- 51.10 The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.
- 51.11 The Company has got registration of all the charges and satisfaction with Registrar of the Companies.

### Note No. - 52 Estimation of uncertainties relating to global health pandemic COVID-19

Spread of COVID-19 has effected the economic activity across the Globe including India, however the Company does not anticipate any major challenge in meeting the financial obligations, on the long-term basis. Further, the company does not carry any risk in the recoverability and carrying values of its assets including Property, Plant and Equipment, trade receivables, inventories and investments. The company does not anticipate any additional liability as at Quater and Year Ended on 31.03.2022.

### NOTE NO - 53

- 53.1 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.
- 53.2 In the opinion of the Board, all assets other than Property, Plant and Equipment, intangible assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

## Notes Forming Part of the Balance Sheet and Profit & Loss Account

### NOTE NO - 54

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective

### NOTE NO - 55

Previous year figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments

### NOTE NO - 56

The financial statements are approved for issue by the Board of Directors in their meeting held on 30.05.2022

This is as per our report of even date

#### **For M Mehta & Company**

*Chartered Accountants*

FRN:000957C

#### **Nitin Bandi**

*(Partner)*

M.No. 400394

UDIN: 22400394AJXBNC1361

Place: Indore

Date : 30.05.2022

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

#### **Shiv Singh Mehta**

*(Chairman & Managing Director)*

DIN 00023523

#### **Purnima Mehta**

*(Director)*

DIN 00023632

#### **Shashank Belkhede**

*(Chief Financial Officer)*

#### **Raj kumar Bhawsar**

*(Company Secretary)*





## Notes



# CORPORATE INFORMATION

## Board of Directors

### Mr. Shiv Singh Mehta

Chairman & Managing Director

### Smt. Purnima Mehta

Director

### Mr. Saurabh Singh Mehta

Executive Director

### Mr. Rakesh Kalra

Independent Director

### CA Manoj Fadnis

Independent Director

### Mr. Chandrasekharan Bhaskar

Independent Director

## Auditors

M. Mehta & Co.

Chartered Accountants

201, President Tower,

Madhumilan Square,

Indore - 452001 (M.P)

## Bankers

State Bank of India

HDFC Bank Ltd.

## Company Secretary

CS Raj Kumar Bhawsar

## Registered Office

Mehta Chambers, 34, Siyaganj,

Indore – 452 007 (M.P.)

## Corporate Support Center

Brilliant Sapphire, 801-804, 8<sup>th</sup> Floor, plot No.

10, scheme No. 78- II, Vijay Nagar, Indore

(MP) - 452010

## Share Transfer Agent

M/s Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura,

Indore – 452 010 (M.P.)



**Kriti Nutrients Limited**

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