



DO RIGHT

Kriti Nutrients Limited
Annual Report 2020-21



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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.

DO RIGHT.

The post-pandemic world is likely to place a premium on health and wellness.

In this evolving world, people will need to select right and eat right.

At Kriti Nutrients, we believe 'eat right' will need to be complemented by 'Do Right'.

Living a holistic quality mindset. Protecting product integrity. Investing in research. Enhancing governance. Deepening sustainability.

With the objective to make the world a better place.

‘Do Right’ is not just a credo framed on the walls of the office at Kriti Nutrients Limited.

It is practiced and lived at the company.

With the objective to enhance value for all those associated with the company.

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

- Simple
- Humble
- Dignified and understated elegance
- Grounded
- Confident
- Approachable
- Leader

THE KRITI GROUP

The Kriti Group comprises three companies called Kriti Industries (India) Limited, Kriti Nutrients Limited and Kriti Auto & Engineering Plastics Pvt. Limited.

BUSINESSES

The Company is engaged in soyabean processing, producing branded refined soyabean oil and manufacturing value-added protein-based products that address specialised applications in the food and pharmaceutical sectors.

LOCATION

The Company's soyabean processing plant is located in

Dewas. This plant comprises modern infrastructure and equipment. The manufacturing complex 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, dependability

and a superior cooking outcome. The brand accounted for a large portion of the company's revenues in 2020-21.

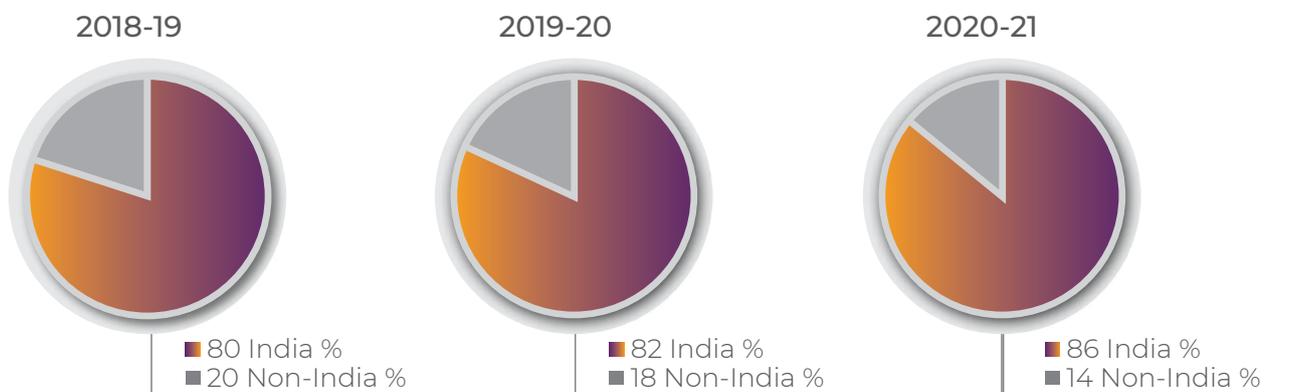
FINANCIAL PERFORMANCE

In 2020-21, the Company generated revenues of ₹692.51 Cr and profit after tax of ₹15.06 Cr. Cash profit was ₹18.47 Cr and EBITDA margin 3.56%.

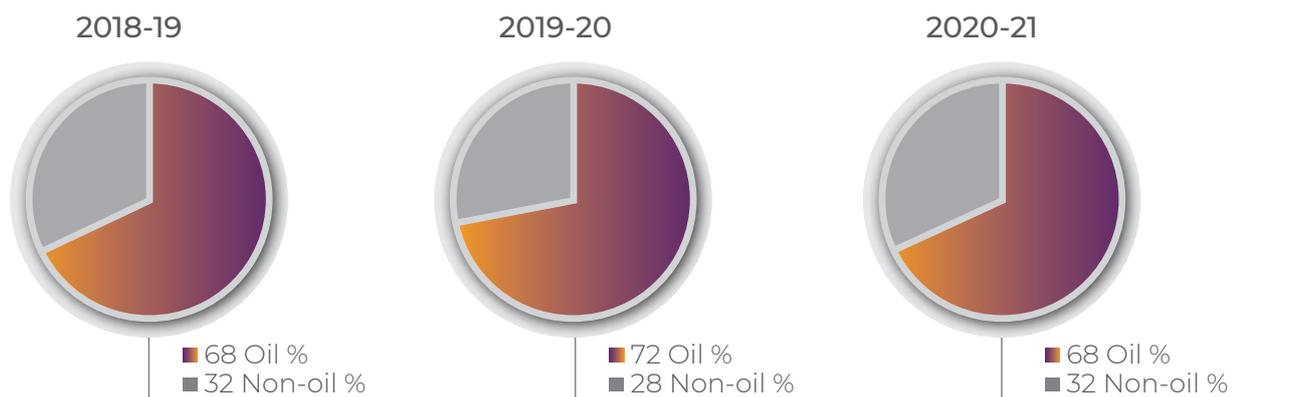
LISTING

The Company is listed on the Bombay Stock Exchange. The Company's market capitalisation was ₹198.41 Cr as on 31st March, 2021. The promoters accounted for a 66.35% stake in the Company's equity share capital.

KRITI NUTRIENTS: Revenues by region



KRITI NUTRIENTS: Revenues by business



'DO RIGHT' AND KRITI NUTRIENTS LIMITED





ASSURANCE

Deepen brand recall around 'Trust' and 'Quality'

RELATIONSHIPS

Enduring engagements with primary and secondary customers

VALUE

Commitment to enhance value for all stakeholders

SOLVENCY

Credible Balance Sheet with low debt and high liquidity

KNOWLEDGE

Investment in research to support both businesses

BRAND

Investment in premium and branded edible oil

GEOGRAPHIC FOCUS

Focused on select geographies instead of running ourselves thin

CERTIFICATIONS

Enlistment for business-enhancing certifications

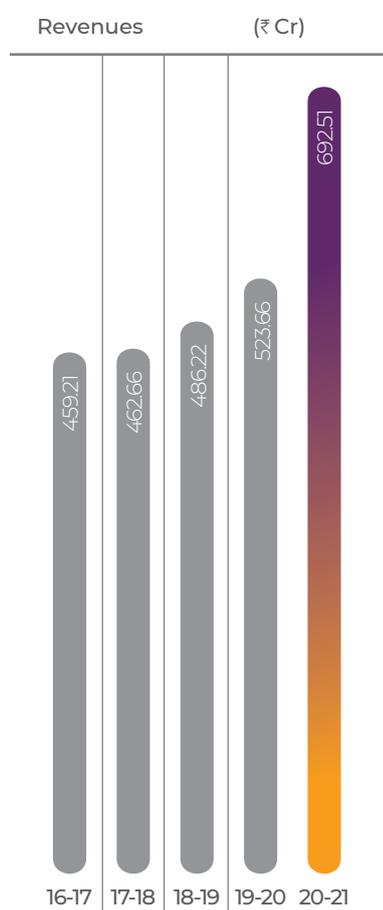
PARTNER

Positioned ourselves as a dependable partner (not vendor)

TECHNOLOGY

Invested in cutting-edge digitalisation technologies to enhance sales effectiveness

‘DO RIGHT’. HOW THIS FOCUS HAS TRANSLATED INTO SUSTAINED GROWTH



Definition

Growth in sales net of taxes

Why this is measured

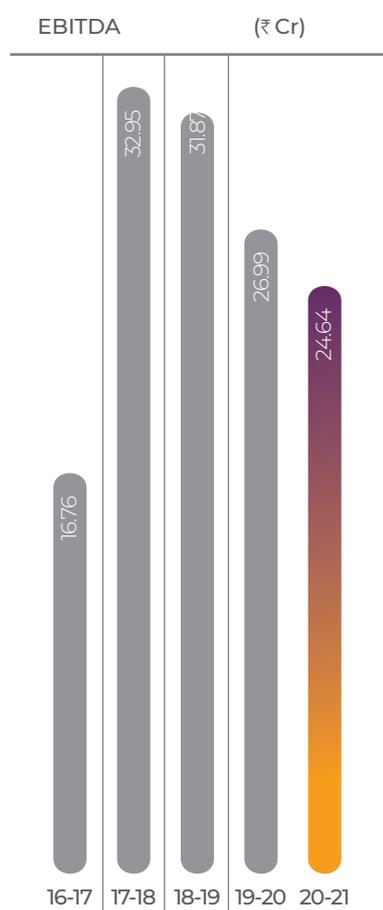
It is an index that provides a basis against which the company's success can be compared with sectoral peers.

What this means

Aggregate sales increased 32.61% to ₹690.06 Cr in FY 20-21 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.



Definition

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

Why this is measured

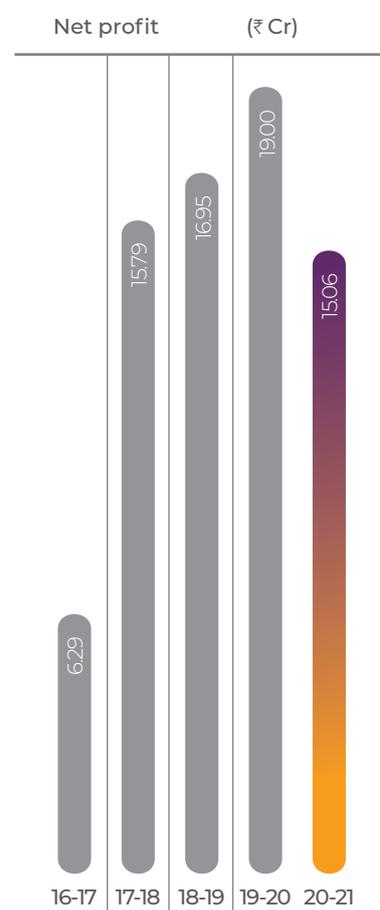
It is a measure that showcases the Company's ability to generate a surplus after operating costs, a base for comparison with other companies.

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 20-21 due to resource cost volatility.



Definition

Profit earned during the year after deducting all expenses and provisions

Why this is measured

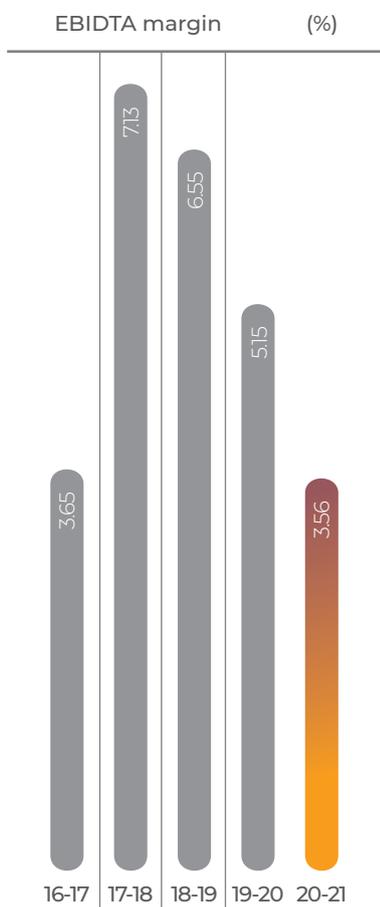
It highlights the strength of the business model in enhancing value for shareholders.

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 20-21 following increased resource volatility.



Definition

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

Why this is measured

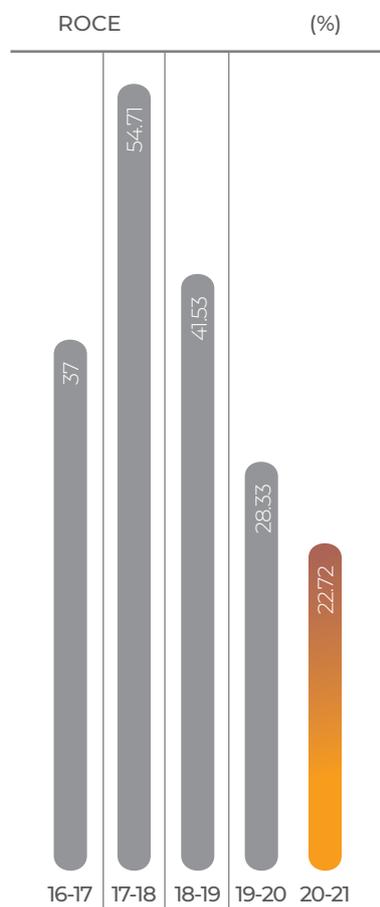
The EBIDTA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

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 159 bps decrease in EBIDTA margin on account of resource volatility.



Definition

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

Why this is measured

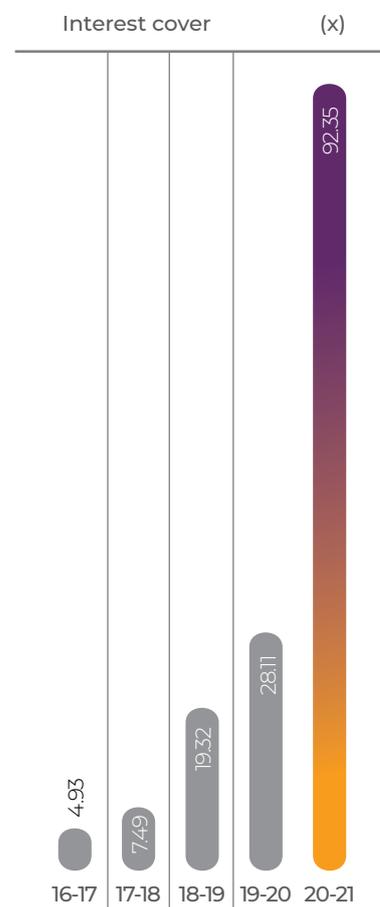
ROCE is an insightful metric to compare profitability across companies based on their respective capital efficiency.

What this means

Enhanced ROCE can potentially drive valuations and market perception.

Value impact

The Company reported a 561 bps decline in RoCE in FY 20-21 due to increased resource costs.



Definition

This is derived through the division of EBIDTA 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 19.32 in FY 18-19 to 28.11 in FY 19-20 to 92.35 in FY 20-21, indicating the attractiveness of its under-borrowed business model.

The background of the page is a warm-toned collage of various food products. It includes several bowls and baskets filled with different types of grains and cereals. There are also some nuts and what appears to be a jar of a smooth, orange-colored substance, possibly a puree or a sauce. The overall aesthetic is clean and natural, emphasizing the quality of the ingredients.

**The three
principal
messages we
wish to convey
in this annual
report**

A collage of food items including cereals, milk, fried snacks, and lentils. The background is a warm, golden-brown color. The items are arranged in a circular pattern around the text.

One
The Company is at an inflection point in its existence

Two
The Company intends to graduate from a branded edible oils company to a foods organisation

Three
The Company intends to strive for consistent growth across the foreseeable future

CHAIRMAN AND MANAGING DIRECTOR'S OVERVIEW



Shiv Singh Mehta, Chairman

Overview

This is an opportune time to be asking a fundamental question: What kind of a company do we expect to create at Kriti Nutrients?

This question is relevant for a number of reasons.

The world passed through its most unpredictable year in 2020-21 from emotional, social and economic points of view.

The world is seeking to find increased nutrient value to feed a growing global population without a corresponding increase in land allocation.

There is a premium on the need to engage in long-term nutritive research without compromising the Balance Sheet.

The operative word is 'risk' – its understanding, enumeration and counter initiatives.

RISKS AND US

At Kriti Nutrients, the comprehension of risk – known and unforeseen - has been fundamental to our business.

Our business is influenced in the short-term by weather impact; bountiful rains can increase the soya crop and moderate our bean purchase cost, providing us with adequate room in which to process and market refined soyabean oil; scarce rains do the reverse.

It is impossible estimating the nature of monsoons one can expect from year to year. In view of this, we have generally lived on the edge, never fully assured of whether we are likely to encounter a sharp increase or decline in raw material costs.

At Kriti Nutrients, we recognised the challenge in building an institution without year-on-year profit visibility. In this scenario, no bank would be willing to fund us; besides, the discounting provided to a weather-dependent business model would have been in the low single-digits, preventing

our company from enhancing shareholder value.

In view of this, the management of Kriti Nutrients took a decided call: the company would focus on building a business model with a larger buffer against resource cost swings that would keep us profitable in good years and bad. There was another risk-based reason behind this decision; we realised early on that the larger we became as a mere processing convertor, the larger risk we carried on our books. At large volumes, a commodity-based business model was always a few decisions away from insolvency. Besides, it would have become progressively more difficult to grow the larger we became, which explains why a number of commoditised soyabean processing companies stagnate after they reach a particular revenue threshold.

The outcome of this understanding was that the company extended from trading loose unbranded processed soyabean oil to building a credible processed edible oils brand around a superior

consumer proposition. We believed that if we got our mechanics rights, there would be a sustainable increase in the traction for our brand; our brand loyalty would make it possible for us to pass on moderate costs increases as well; we would be offsetting the volatility at one end of the business with stability at the other (offtake and pricing).

The initial years were challenging as the brand took time to be accepted. The management of Kriti Nutrients responded with patience; it selected to grow intensively within a moderate footprint instead of spreading itself thin across States; it focused on spreading word of mouth goodwill as opposed to spending precious accruals on brand building; it focussed on building the business from the ground level upwards through deeper engagements with distribution trade partners.

The result of desisting from pursuing gains from commodity price swings (even though they appeared realisable given our proximity to the trade and the scale of our soyabean

procurement) was that our branded part of the business grew steadily in scale and scope. The business grew from scratch in 1993 to ₹692.51 Cr revenues in 2020-21. The company enjoyed market-leading shares in the

states of Madhya Pradesh and Rajasthan. The company generated a high revenue visibility from repeat sales to the same consumers in addition to ongoing organic growth in the number of consumers. The

proportion of revenues from our branded edible oils business was an attractive 68% in 2020-21; the proportion of EBIDTA generated from this business was a sizable 3.56% during the year under review.

PHASE TWO

A few years ago, we asked ourselves again: is this what we want to keep doing year in and year out across the coming decade? The answers were yes and no.

At one level, we felt that the branded edible oil business was profitable, scalable and valuable; on the other hand, we felt that we had gained deep insights in protein-based product development that could be leveraged to broadbase the company's portfolio, seed new revenue engines and transform the company.

When we embarked on Kriti Nutrients 2.0 a few years ago, the challenges were considerable. The protein-based product development that we targeted was complex; the

commitment that was required of us was multi-year; there was no certainty related to product breakthrough, acceptance or revenues. The product development warranted sustained investment, allocation of precious management bandwidth and a leap of faith. In other words, the management was taking a risk.

It has been four years since we began investing in breakout product development. During this period, we extended from the business-as-usual approach to setting up an Innovation Centre, recruiting food technologists, doctorates and specialists. By the close of 2020-21, there was nothing for me to share from a Profit & Loss account perspective, except to say that we were

closer to a breakthrough than at any time in our existence. Our pilot projects leveraged home-grown competence to report encouraging results. The products under development are not available in India. These products address the health and wellness niche, which received a shot in the arm following the pandemic, widening the market and strengthening our relevance.

The big message that I wish to convey is that we moved from scratch to differentiated product development in just four years, which is a remarkable achievement for a company developing a product for the first time. Besides, we did so at a competitive cost without compromising our debt-free Balance Sheet.

OUTLOOK

The big question: where does Kriti Nutrients go from here?

I will attempt to answer this at two levels.

One, the branded edible oils business has been invested with sales force automation, stronger retailer focus and utilisation of market data to build a stronger sales franchise. This focus is the result of the company possessing a strong brand acceptance and plugging market gaps to report higher revenues without incurring larger costs in product distribution. To drive business growth, the company embarked on a three-year

Annual Operating Plan for the first ever time, building clarity on how the consumer is buying differently today and how the company needs to adapt to grow regardless.

Two, we recognised we could grow faster if we graduated from being an edible oils brand to becoming a broadbased foods organisation. Our product development is likely to be monetised starting 2021-22, marked by a successful first phase in product development followed by a validation in proofs of concept. We believe that this product – once established – could prove to be volume-driven and margins-

accretive, enhancing value for our company. This success could endorse what we had set out to de-risk our company from: commodity-based price swings and enhanced organisational stability.

The result is that the company is optimistic of consistent growth on a YoY basis.

I must thank our shareholders for their sustained patience during this investment phase and hope to emerge as an admired and evolved soya-based food products organisation.

Shiv Singh Mehta
Chairman



**'DO RIGHT'
REPRESENTS
THE CORE OF
OUR INTENT
AND IDENTITY**

OVERVIEW

There is a growing priority to conduct business like a responsible corporate citizen.

In a world marked by unexpected and unforeseen changes of magnitude, there is a conviction that governance smoothenes the corporate curve: abbreviates downcycles and extends up-cycles. Besides, companies with deep governance inevitably enhance stakeholder confidence leading to the creation of long-term shareholder value.

In view of this, governance is not incidental to business but integral to it.

KRITI AND ESG

At Kriti Nutrients, we believe that environment-social-governance

(ESG) represents the heart of our business.

This is particularly so in a business where the product needs to be used in food preparation, which is integral to human health and existence. Any under-performance in our business usually entails a cost for health diagnosis, treatment and recovery.

The environment component

addresses the world's priority for a business to consume environmentally responsible resources, consume an optimal quantum, recycle waste, consume a modest quantum of finite fossil fuels and build resistance to climate change, leading to a declining carbon footprint.

The social component

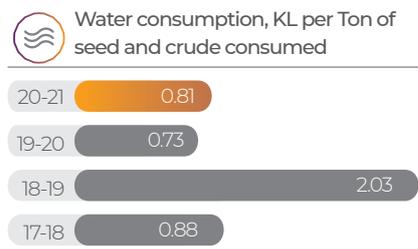
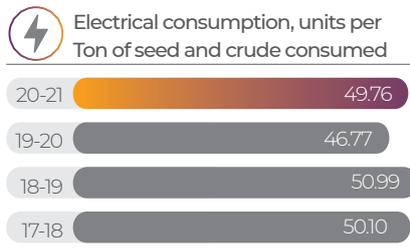
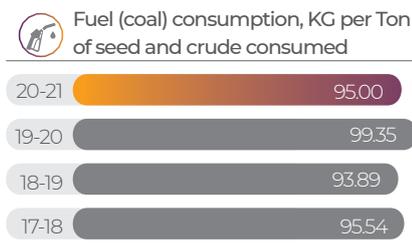
addresses the need to invest in people, organisational culture, customer relationships and social responsibility.

The governance component

enunciates strategic clarity, prioritises ethical values, highlights conduct codes, explains Board composition and indicates alignment with UNGC principles, evoking a responsible expectation across stakeholders.

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



ENVIRONMENT

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

Strong internal controls: There is a growing commitment to environmental management systems, conduct environmental due diligence and build disaster planning & response systems across our manufacturing facility. At Kriti, we believe that growth can be best derived when the promoter charts out a strategic direction and leaves day-to-day management to professionals. The company deepened its investment in processes and systems, especially information technology (enhancing process integrity). Besides, we strengthened an audit-driven and compliance-driven approach,

enhancing the predictability of processes. It would be relevant to indicate that the company has not incurred penalties on account of statutory compliance lapses in its existence.

Resilience towards climate change:

There is a commitment to reduce energy intensity, reduce greenhouse as emission intensity and graduate to cleaner processes and fuels

Reduce our impact on environment and nature:

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.

SOCIAL

At Kriti Nutrients, we believe that business transformation is accelerated by a passionate team mix that reconciles youth and experience. In the last few years, this people-driven ferment has progressively enriched, resulting in sectorial outperformance.

Employees: At Kriti Nutrients, we have created an organisation where 'good' is not good enough. We invested in a culture of overarching excellence directed towards emerging as the sectorial benchmark in terms of quality (product and process) and resource productivity. The result: continuous cost management and sustainability across market cycles. The company made prudent investments (recruitment, retention and training) to enhance efficiency and effectiveness

across functions. Besides, the company invested in practices that enhanced safety – training, protocols, certifications, investments and awareness-building.

Customers and vendors: The company deepened relationships with vendors (who provided capital equipment and spares as well as with primary customers (trade partners). Given the complex nature of material, the company selected to work with select large vendors.

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

GOVERNANCE

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.

The following elements comprise our governance commitment:

Controlled growth: At Kriti, we believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. In line with this conviction, the company has allocated accruals into incremental investments without stretching the Balance Sheet. The result is that the company has grown revenues every single year across the last number of years.

Balanced approach: At Kriti, we have selected to balance caution and aggression (strategic aggression and tactical conservatism), resulting in a relatively de-risked approach. As a part

of this approach we focus on capital investments generating an attractively short-term payback, maximising cash flows over mere paper profits and reinvestment into the business. The measure of our strategic balance is an attractively low gearing and our ability to largely fund our expansions through accruals.

Board of Directors: At Kriti, we believe that our strategic direction is largely influenced by our Board of Directors. 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-sectoral business understanding and strategic quality.

Trust: At Kriti, we believe that there is one word that encapsulates all that we are and all that we do – ‘trust’. We believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers lend debt and why communities support us. Over the years, we have invested in enhancing this trust quotient through various initiatives that have been described in this document.

Long-term: At Kriti, we have selected to build the business around long-term patience and commitment.

This approach has influenced our investments in assets, technologies, brands, people, locations, products and trade partners. We believe that this approach has translated into the highest standards of technology, integrity and competencies. Clearly the focus of our business is to ‘Do Right’, which has translated into business robustness and stability.

Singular focus: At Kriti, we believe that core competence is the biggest insurance against cyclical downturns. In view of this, we have selected to position ourselves not as much as an edible oils company as much as a food and resources organisation. We believe that our soyabean-based competence has been leveraged to manufacture edible oils and food products. This positioning has helped enhance our strategic clarity, opened us to emerging opportunities, attracted knowledge professionals and strengthened product / process research.

Data-driven: At Kriti, we are an analytics-driven organisation that generates data on ground realities resulting in informed decision-making. In turn, the management provides this data and information to executives and distribution partners. This has helped mature the organisation to one driven largely by technology-aided information sharing.

OPERATIONAL REVIEW



“The company demonstrated resilience in the face of the global pandemic, which is a validation of its business model”

Executive Director Saurabh Singh Mehta reviews the 2020-21 performance of the company

Q: WAS THE MANAGEMENT PLEASED WITH THE PERFORMANCE OF THE COMPANY DURING THE YEAR UNDER REVIEW?

A: When one looks at the performance of the company, one will find that revenues were 32.24% higher in 2020-21 than in the previous financial year while profit after tax was 20.78% lower. This negative divergence was the result of a sharp increase in our resource costs during the year under review. The sharpness was compressed within a narrow time frame; the sales that had been committed based on a specific resource price; the company now incurred a considerably higher cost, which had to be incurred. This translated into a sizable engagement loss for a period of the year, which drew down the company's surplus in FY 20-21.

Q: WHAT WAS THE CREDITABLE FEATURE OF THE COMPANY'S PERFORMANCE?

A: Even as the bottomline appears modest, I must draw the attention of our shareholders to some creditable achievements. The improvement came in the face of an unprecedented economic and social upheaval on account of the COVID-19 pandemic that affected the consumption cycle in the first quarter of the year under review and whose influence was perceptible in the second quarter. The company reported a sizable increase in its topline, which represented a validation of a number of things that we did right to strengthen our marketing effectiveness. We believe that this scale of operations, when sustained, should translate into enhanced value when the commodity cycle normalises.

Q: CAN YOU EXPLAIN THE COMMODITY SQUEEZE?

A: Even as the business of Kriti Nutrients has progressively de-commoditised by extending to the manufacture and marketing of branded and packaged edible oil, it continues to rely on the timely purchase of soyabean. During the year under review, the soyabean prices increased 90%. The increase in price was due to the combined effect of a decline in crop production and international factors. Kriti Nutrients was unable to pass on the raw material cost increase as soyabean-based edible oil realisations need to match variants derived from other crops. The result is that the company's performance was affected on the volume end on account of the pandemic and across the value end on account of increased cost of soyabean. Besides, the minimum support price for soya seed had increased nearly 5% to ₹38,800 per Ton in the previous year, causing a squeeze in raw material costs that extended into the year under review.

Q: SHAREHOLDERS WILL BE CURIOUS ABOUT HOW THE COMPANY SUCCEEDED IN COUNTERING THESE CHALLENGES IN 2020-21.

A: During the last couple of years, the management graduated from addressing its business- as-usual approach to identifying aspects that could be strengthened. The company accelerated this project-driven approach and I am pleased to report that there were a number of positive outcomes. For one, the company focused on widening and deepening its footprint within existing markets. This initiative was born out of the conviction that in the last few



The company reported a sizable increase in its topline, which represented a validation of a number of things that we did right to strengthen our marketing effectiveness.



years, there was a change in the consumption environment even while we continued to work out of an existing distribution network. There was a growing recognition that consumers are increasingly buying from modern trade and new engagement formats. Besides, with the urban and semi-urban spread widening, there was a need to appoint more trade partners. I am pleased to report that this distribution-linked initiative began to pay attractive dividends during the year under review, making it possible to address consumer needs with shelf presence. The result is that we were consistently present across most retail points through the course of the year, strengthening our ability to capture consumer demand.

Q: WHY WAS THIS NECESSARY?

A: The Indian edible oils sector has evolved across the last decade. There is a growing momentum in consumption from loose and unbranded edible oils to branded and packaged alternatives. Within the latter, quality standards have improved considerably; a number of players

have enhanced consumer assurance through automation and certifications. The result is that marketing differences between branded players based on these parameters has progressively declined; the high quality standard across the established players is now a given. In this competitive environment, the difference between players is derived from the ability to be present in locations and on shelves where competing players are not present. We believe that this represents the last frontier within the branded edible oils business: the winners across the coming decade will be decided on the basis of which brand is present in most retail stores, which sale can be replaced with speed and the capacity of the company to service retailer needs on time and in full.

Q: WHAT INITIATIVES DID THE COMPANY EMBARK ON TO STRENGTHEN ITS DISTRIBUTION NETWORK IN MADHYA PRADESH?

A: The company studied terrains, identified gaps, appointed trade partners to plug those gaps and empowered its field sales team with hand-held automation tools that make it quicker to communicate with the head office IT system. The result is that we moved with quicker speed than ever; by replenishing retailer shelves quicker, we encouraged them to stock lower quantities and provided them with the confidence that we would service them at shorter intervals. The result is that a number of our retailers moved to lower stocks, which reduced their working capital outlay and increased their return on employed capital. This enhanced retailer loyalty; what was even more compelling was that this generated a favourable word-of-mouth visibility for our

brand, resulting in a number of walk-in retailers. As a result, one of the upsides of our business in 2020-21 was the resilience of our distribution network.

Q: HOW DOES THE COMPANY INTEND TO BUILD ON THIS EXISTING RETAIL NETWORK?

A: The company intends to address a widening and deepening market with corresponding network growth in Madhya Pradesh, the company's strongest market. We expect that over the foreseeable future, we should be able to double our retailer base in this State and double our market share in the consumer pack segment. The company intends to widen its presence in other States as well - Rajasthan and Maharashtra - which are mature markets for edible oil, where branded products are respected and consumers are willing to pay more for better quality. The big message that I would like to leave our shareholders with is that the company's edible oils business has achieved the maturity and depth to be scaled across the foreseeable future.

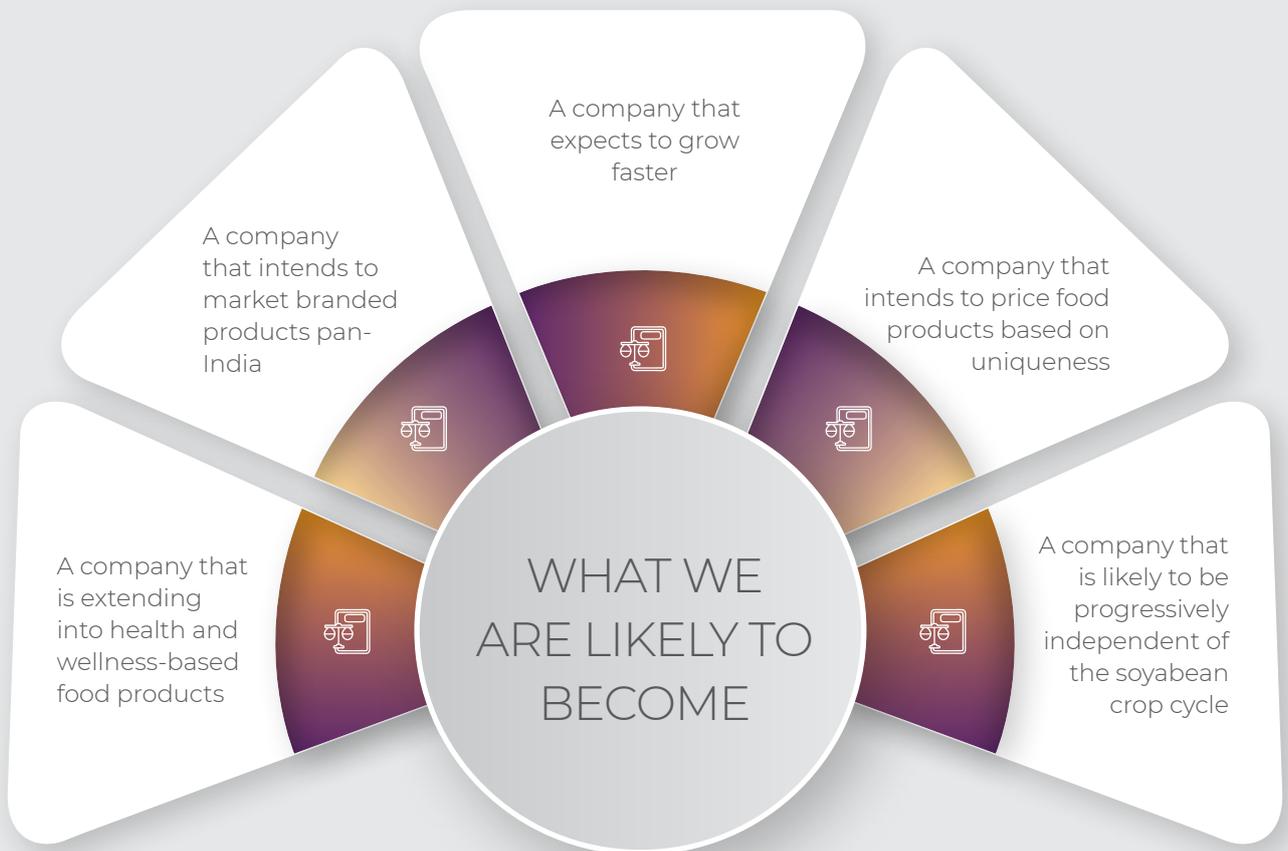
Q: WHAT ELSE PROVIDES THE MANAGEMENT WITH OPTIMISM?

A: The optimism is derived from a cultural transformation presently underway within the company. I will draw attention to two operational developments: one, there is a greater focus on project-led transformation where objectives are outlined, teams and budgets allocated, deadlines drawn out and teams empowered to achieve positive outcomes. I am pleased to communicate that the company achieved a number of improvements - ranging from the nominal to the

material - that has enhanced the conviction that this project-driven approach is the way to sustained outperformance. There is another feature of the company's working that is different from the past: in a decisive departure from the past where the annual operating plan would be created, providing corporate visibility for 12 months, the company created a 36-month operating plan. This three-year plan provides the company with strategic clarity that makes it possible to aggregate resources, recruit to plug vacancies and provide stakeholders with a perspective of where the company is headed. The result is that the company now has a blueprint that is more visible and sustainable, which will be appraised every week for deviations and probable course correction.

Q: WHAT COMPRISES THIS ANNUAL OPERATING PLAN?

A: A significant part of the plan is the launch of an entirely new business. For the last number of years, the company focused on the production of soyabean oil; the time has come to extend to the manufacture of branded and packaged foods. This business cleared a number of internal tests and validations during the last few years; it will be commercialised and scaled in the near future. When this transpires, we expect to generate a substantial increase in our revenues accompanied by increased margins, which should translate into a volume-value improvement that strengthens value in the hands of our shareholders.



How we intend to enhance shareholder value

OVERVIEW

- Kriti Nutrients is the largest soyabean processing company in Madhya Pradesh
- The company possesses a profitable track record for 28 years in a volatile business
- The company has consciously resisted taking speculative positions on oils and soyabean
- The company sees its role as an efficient value-added convertor



The initiatives we implemented to enhance value

Widening focus: The company is at the cusp of graduating from a longstanding presence in the edible oils business (resource) to foods (end product) with the objective of enhancing value-addition and carving out a share of the protein-based nutritional foods market

Broad-based presence: The company intends to extend its branded edible oils business from a long-standing presence in Madhya Pradesh to Rajasthan and Maharashtra



Beyond commodity: The company intends to keep investing in businesses beyond generic soyabean processing

Capex: The company has added approx. 16 Cr to its asset base in last 10 years



Business inter-linking: The company generated the accruals from its edible oils business to invest capital in the challenging foods business, eliminating the role of debt when outcomes could not be predicted

Focus on outsized gains: The company invested in its existing business with the objective to generate steady surpluses, and in its new business of foods with the objective to generate sustainable outsized gains



ESG focus: The company invested its business with high standards of ESG (environment-social-governance), strengthening predictability and sustainability

NSE listing: The company will seek to list its shares on National Stock Exchange, enhancing visibility



HOW WE INVESTED IN OUR BUSINESS

PROCESSING CAPACITY

0.29
Processing capacity,
MTPA, 2010-11

0.33
Processing capacity,
MTPA, 2015-16

0.18
Processing capacity,
MTPA, 2020-21

CAPITAL EMPLOYED

73.02
Capital employed,
₹ cr, 2010-11

40.12
Capital employed,
₹ cr, 2015-16

108.45
Capital employed,
₹ cr, 2020-21

HOW WE GENERATED SUPERIOR FINANCIAL HYGIENE

EDIBLE OILS PROPORTION

71
% of overall
revenues from
edible oils, 2010-11

75
% of overall
revenues from
edible oils, 2015-16

68
% of overall
revenues from
edible oils, 2020-21

LIQUIDITY

0.75
Debt-equity ratio,
2010-11

0.02
Debt-equity ratio,
2015-16

0.00
Debt-equity ratio,
2020-21

EARNINGS

24.79

₹ cr, EBITDA, 2010-11

16.03

EBITDA, ₹ cr, 2015-16

24.64

EBITDA, ₹ cr, 2020-21

MARGINS

5.50

%, EBITDA margin, 2010-11

4.46

%, EBITDA margin, 2015-16

3.56

%, EBITDA margin, 2020-21

HOW THIS TRANSLATED INTO A SUPERIOR VALUATION

CAPITAL APPRECIATION

30.41

₹ cr, market capitalisation, 31st March, 2011

77.41

₹ cr, market capitalisation, 31st March, 2016

198.41

₹ cr, market capitalisation, 31st March, 2021

The 5P's influencing our business

01 PROTEIN

Gradually, but surely, the word 'protein' is becoming central to our consciousness.

There are a number of reasons for this.

Protein helps build, repair and maintain the body's structure, making it essential to human consumption.

However, for possibly the first time in recorded history, the world is facing an imminent protein gap, which means that there could be a larger appetite for protein than can be provided (through animal or plant routes).

The reasons are simple: global population is expected to surge from 7.8 bn to an estimated 9.6 Bn by 2050. Increased incomes and aspirations could catalyse food demand, especially animal-based protein. Animal-sourced protein (meat, seafood, milk and eggs) are 'complete proteins', containing essential amino acids and providing a range of micronutrients (iron, zinc and vitamin A). The result: global per capita meat consumption almost doubled over the last half-century.

Herein lies the challenge. Animal-based protein requires large quantities of land and water, holding out a grim picture of environmental balance. As

societies become wealthier and urbanised, the demand for animal sourced foods will increase, leading to prospects of deforestation, water / soil degradation and global warming.

The evidence is in the numbers: 12% of GHG emissions are derived from livestock production; 30% of human-induced terrestrial biodiversity loss can be attributed to animal production. Besides, an estimated 795 Mn people suffered from chronic undernourishment (2014 figures); more than 2 Bn people are overweight or obese. As a result, addressing the growing demand for protein without disturbing the environment balance remains one of the biggest challenges for the global food system's objective to address a nearly-doubled protein consumption by 2050.

This is where non-animal protein sources (including soyabean) enter the picture. Here too, a singular dependence on plant-based protein will not work either, as that could have a devastating impact on the need to create additional farm areas (out of forests). The focus narrows down to novel protein sources for their potential to deliver protein for the future, balancing nutritional, economical, environmental and technological imperatives.

Plant-based protein is gaining traction on account of lower land use and lower greenhouse gas emission. Within the plant-based protein domain, soyabean is finding increasing traction; fat-free soyabean meal is a significant and cheap source of protein 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).

At Kriti Nutrients, we are attractively placed to capitalise on this unfolding reality: we are based in the soyabean bowl of India (the State of our presence, Madhya Pradesh, accounts for 70% of India's soyabean output. Kriti Nutrients is among the largest and most efficient soyabean processors in the State; the company created branded product (Kriti edible oil) that enjoys traction; the company is extending from the processing of edible oils to the development of protein-based food products, underlining its commitment to help humankind address the protein gap challenge of the future.



02 PRODUCT

The benefits of soyabean oil comprise the following features:

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 lower 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.

03 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 ₹2 Tn of incentives over five years across 13 sectors is likely to be based on 5-10% 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 mn by 2030 as that country's population tapers (already down 28% from peak); it capitalises on a steady increase in India's population during this period. The scheme is likely to add USD 144 Bn to FY27 sales and USD 70 Bn to GDP with net exports USD 55

Bn higher. Besides, the scheme is likely to add 2.2 mn 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% of India's food exports with India's share of global trade in these being nominal. Besides, only 3% 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 USD 70 Bn of gross value-added and 1.7% to FY27 GDP. Since a bulk of the production is likely to be exported, the country's trade deficit could shrink by USD 55 Bn with a net impact on the trade balance of 1.4% of GDP

19

Kgs, India's per capita edible oils consumption

25

Kgs, Global per capita edible oils consumption

40

% of India's edible oil consumption that is unpackaged

1.2

% growth in India's population per year

84

% India's vegetarian diets which are protein-deficient

70

% of Indians who suffer from poor muscle development due to low protein content

Source: Indian Dietary Association, InBody and IPSOS

265

Mn Tons of additional protein to be required annually globally by 2050

7.8

Bn, global population, 2020

9.6

Bn, projected global population, 2050

04 PACKAGING

There is a secular trend away from buying food products loose and buying them packaged. There are two catalysts at play here: following the introduction of GST, organised companies (marketing branded and packaged products) have become more competitive when compared with the cost structure of unorganised companies. **Two**, there has been a greater traction to buy packaged products for the

following reasons: protects the product, prevents contents deterioration, reduces costs and enhances hygiene. Besides, packaged products inform and educate. Kriti Nutrients is a beneficiary of the demand shift from loose and unbranded oils to their branded equivalent. Credit Suisse indicates that the packaged foods market could grow five-fold to USD 200 Bn over the decade.

05 PRUDENCE

One of the biggest changes that we have seen in the last fifty years is that the Indian of today is more concerned about food hygiene and wellness better than predecessors. This is virtually everywhere across the country; people are willing to spend more in terms of time and money for enhanced wellness, convinced that they deserve better. The spirit of thrift has been replaced by a willingness to spend; a spirit of sacrifice has been replaced by a feeling that people deserve better. There are a number of reasons for this sweeping transformation: the Indian is earning more, the Indian has more reasons to spend than before and the Indian is being increasingly influenced by changes in the external environment (wider choices

and updates on lifestyle changes). The result has been the formalisation of a sector and the emergence of a word in our consciousness – wellness - that one would possibly have dismissed a few decades ago. The application of 'health, wealth and happiness' is being redefined to include this addition, resulting in 'health, wealth, wellness and happiness.' Wellness is no longer side-stream; the concept is mainstream, integral to modern relevance and only likely to grow in importance from this point onwards. The concept of wellness was integral when we went into business. Kriti promoted wellness through the creation of a brand that has consistently stood for health, safety and hygiene.

How we expect to benefit from the Indian consumption story



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

BUSINESS DRIVER

Leveraging the 'Kriti' brand

Background

- 28-year pedigree of an established industrial house
- Company respected for integrity of process, product and practices
- Focus on sustainability over one-off profitability



Origin

- Edible oil extracted from superior resource (soyabean)
- Product respected as a deep protein source
- Consistently high product quality



Brand

- Trusted for quality across 25+ years
- Brand recall of 'bharosa' and 'peace of mind'
- Positioned our brands around 'health', 'affordable' and 'choice'



...HOW THIS HAS ENHANCED A CONSUMER PULL



Choice

- Range of products across price points
- Varied packaging sizes to address different pockets
- Superior price-value proposition



Quality

- Premium positioning; addresses discerning consumers
- Generates superior cooking outcome
- Low smokiness, lower oil consumption, fatty acid below ISI norms and high oil purity/clarity



Presence

- Available and accessible across 20,000 retail outlets
- Deepening and widening availability; product never far away
- Widening focus across Central India



Catalyst

- Stable community of dealers and retailers
- Large shelf space; quicker replenishment
- No issues related to trade terms or sub-quality

...AND HOW THIS HAS TRANSLATED INTO SUPERIOR FINANCIALS



Market share

High market share in the premium segment



Pricing and positioning

Priced at a premium over national edible oil brands



Liquidity

High velocity of sale; short receivables cycle



Productivity

Strong word-of-mouth goodwill; high brand spending efficiency



Accruals

Generated attractive accruals for reinvestment in new business lines

BUSINESS DRIVER

How Project Udaan has enhanced our operational efficiency

OVERVIEW

In a competitive business where raw material costs are generally the same for the sector and where end product realisations cannot be changed at will, there is a premium on being able to enhance offtake, moderate costs and enhance competitiveness.

There was another priority that the company needed to address: efficiency improvements could not be derived by managers addressing their functional responsibilities. There emerged a need for the company to create a special team that would be

objective-driven around projects with clearly defined deadlines and outcomes.

This is how Project Udaan was launched within the company a couple of years ago, where two functions would operate

in real time: one to address the 'business as usual' requirements of the company that would keep revenues moving and the other to engage in easily-addressable projects with high upside potential with the objective to enhance profitability.

INITIATIVES

Deeper presence: When it would have been usual to extend into other national geographies and widen the market presence, the company focused on existing markets (Madhya Pradesh and Rajasthan), deepened its presence, plugged market gaps, enhanced distribution effectiveness and increased product availability. This project-based approach responded to an increased in sub-markets within existing markets through increased dealer presence. By making products available just where consumers needed them, the company leveraged distribution economies, resulting in reduced logistics costs.

Sales team: The company focused on transforming the mindset of the sales team from

a commodity-driven perspective to a non-commodity style of working. The company launched the Dealer Operating System, wherein software was provided to primary customers (dealers) to record transactions with the company. This smartphone-centric convenience liberated trade partners from a dependence on the company's executives to record transactions, eliminated manual intervention, strengthened accuracy and enhanced transparency. This convenience helped dealers graduate from the functional (paperwork) to the strategic (growing the business).

FMCG-isation: 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 market responsibility to focused teams, delivered material 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 5 litres), strengthening service. The project served as an aggressive measure to maximise shelf presence, shrink the product churn cycle and increase dealer service frequency.

Evolved packaging: The company introduced a new one-litre packaging design and new packaging around festivals. The company launched regular campaigns in large cities, strengthening offtake.

OUTCOMES

The Company increased its market presence from 120 locations in 2019-20 to 126 locations in 2020-21.

The Company strengthened its distribution network through repeated engagements and the launch of the Dealer Operating System.

The Company increased its brand visibility significantly as a result of its brand-building initiatives and customised packaging.



‘Kriti ke insteymaal main hain barkat’ is what our consumers tell us

‘Why do you buy Kriti?’ is a question that we consistently ask our consumers.

The one unvarying reply that we get: a 15 litre Kriti pack lasts three months; most competing brands last two-and-a-half months.

What has warmed our hearts is the kinds of replies we have got.

‘Kriti ke kharche me munaafa hain.’

‘Kriti ki khareedaeri me hi samjhdaari hain!’

‘Khana sahi banta hain ‘Kriti’ ke saath.’

‘Kriti has extended beyond Food Safety and Standards Authority of India (FSSAI) standards.’

‘Kriti ke insteymaal main hain barkat.’

‘Kriti ghar ke budget banaane waale ka sab se bada dost hain!’

Kriti and unquestioned vishwaas

During the pandemic, we engaged deeper with our business partners.

We asked them about what made consumers buy our products. We asked why they had continued to distribute our products across the long-term. We asked our raw material providers why they had not shifted to supplying to other companies.

The one consistent strain that we discovered from all their answers was this: 'Kriti is one of the few things in life you can trust eyes closed.'

They didn't talk of 'Kriti' as being a product; they spoke of 'Kriti' being a brand.

They didn't talk of engagement with 'Kriti' as another transaction; they spoke of 'Kriti' being a relationship.

They didn't talk of 'Kriti' as a company; they spoke of 'Kriti' being a culture.

They didn't refer to 'Kriti' around trade terms; they spoke of 'Kriti' as a way of life.

The 'Kriti' brand is synonymous with 'quality'

'Kriti' may be stored on shelves; it lives in positive experiences.

There is the story of a farmer who came to a mandi to procure a number of products.

After all the items had been loaded on the tractor, he noticed that something was amiss. The dukaandaar had loaded an edible oils brand that was not what he had asked for.

Farmer: 'Kriti kyun nahi diya?'

Retailer: 'Saab who thoda sa mehenga tha; sasta waala diya.'

Farmer: 'Biwi ki daant sunni nahi hain. Mehenga waala hi dejiye.'

Kriti's quality is validated in hundreds of such instances across retailer stores where consumers vote with their spending to buy a brand that is safer and enduring.

'Kriti': The chef's best friend

The 'Kriti' quality standard is put to the test every single day by those whose reputation is on the line.

The professional community of chefs working across restaurants, cloud kitchens and hotels.

This is what one of them had to say about his experience of working with the 'Kriti' brand.

"I have been working with 'Kriti' for years for a specific reason: the lowest fat content across every single brand I have experimented."

This is what convinced him: he put 'Kriti' in a transparent glass tube. When he viewed the other side through the oil, he found it transparent. The conclusion: high oil purity and low fat content compared with the haziness experienced across competing brands (indicating heavy fat content).

"Kriti is as pure as water and when we gave it for sampling, my observation was spot on. Which is how Kriti was selected as the preferred edible oil for our five-star hotel!"

The outcome of this brand loyalty was that despite the sluggishness in the economy on account of the pandemic, sales volume increased around 7% even as the Indian economy de-grew 7.3%.

Even better, Kriti disappeared off retailer shelves 20% faster during the first quarter when the country was locked down. The reason: increased domestic food consumption... and mini-hoarding desperation inspired by the fear best expressed in one line: 'Kriti khatam ho gaya toh....?'

How we are growing our business

THE SECTORAL CONTEXT

Population

India is the second most populous country after China, with a population of 1.39 Bn in 2020-21, 0.97% higher over the previous year.

Increased aspirations

India is passing through an irreversible period of aspirations growth, partly inspired by an increased influence of developed country preferences. This has reflected in the consumption growth of value-added products

Transition

There has been a shift in the consumer's preferences from loose and unbranded products to packaged and branded alternatives, creating a wider market for superior cooking media.

Formalisation

The Indian government is encouraging a switch from the unorganised to the organised foods sector, inspiring superior packaging and higher food product standards

Downstream sectors

The company's downstream B2B sectors are now rapidly growing while enhancing their resource quality standards

Health awareness

The populace has become more health-conscious and there has been an increased respect for the role of protein in modern diets, widening the market for protein-rich soyabean products.

Intensive marketing

The markets of the future in India are being determined by distribution capabilities (wider and deeper), making it possible for products to reach the last mile

KRITI NUTRIENTS' STRENGTHS

Locational advantage

The company's state-of-the-art manufacturing facility has been strategically located in Dewas, the soyabean-rich belt of Madhya Pradesh; Madhya Pradesh accounts for around >70% of India's overall soyabean output). The company draws 100% of its raw material from within a radius of 100Kms, saving logistics costs.

Infrastructure

The Company consistently invests in its state-of-the-art manufacturing facility and production processes. The result of these investments is higher uptime, increased operating efficiency and superior product purity

Singular focus

The company selected to grow its B2C presence in and around Central India, which catalysed the growth of marketing, branding, distribution and logistical economies

Customers

The company spread its risk by selecting to service the needs of institutional and retail consumers

Broad-basing

The company engaged in two segments simultaneously within the same business: addressing B2B and B2C customers.

Value-added

The company reduced its exposure to the volatile commodity end of the

business like unbranded soya oil to value-added niches through vigorous market research.

Research

The company strengthened its business through investment in a research centre

Stability

The company increased its wallet share of B2B customers, enhancing business stability and sustainability

Branding

The company made significant investments in branding, which resulted in increased visibility, consumer traction and a pricing premium

Quality

The company's branded edible oil business is benchmarked around European Union quality and global standards, resulting in the production of superior quality products.

Distribution network

The company distributed products across 20,000 retail points, enhancing availability and accessibility

Financial discipline

The company made consistent investments in capacities, products and distribution. The Company was debt-free (for long-term debt as on 31st March, 2021).

OUTCOMES



Growth

The company grew revenues from ₹459.21 Cr in 2016-17 to ₹692.51 Cr in 2020-21



Receivables cycle:

The company had a comfortable receivables cycle in 2020-21

Our strategy



Strategic focus	Innovate and excel	Cost leadership	Supplier of choice
Key enablers	<ul style="list-style-type: none"> ● Nurturing an overarching outperformance culture. ● Launching customised products. ● Enhanced edible oil quality around EU standards. 	<ul style="list-style-type: none"> ● Invested in sizable soyabean processing infrastructure. ● Generated superior economies of scale and operating efficiency. ● Focused on the premium end of the product pyramid. 	<ul style="list-style-type: none"> ● Reinforced high product quality. ● Customised B2B product around downstream needs. ● Emerged mission-critical at the customer end in the B2B business.
Material issues / addressed	Superior use of cutting-edge technology leading to product differentiation	Creating the basis of long-term viability through an any-market cost competitiveness	Enhancing revenue visibility through multi-year customer agreements; focusing on a sell-and-make approach
Capitals impacted	Manufactured, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship



Robust people practices	Responsible corporate citizenship	Value-creation
<ul style="list-style-type: none"> ● Employer of approx 260 people (full time). ● People engagement marked by delegation, responsibility and accountability. ● Inspiring workplace marked by training, engagement, appraisal transparency, reward and outperformance 	<ul style="list-style-type: none"> ● Responsible corporate citizen. ● Engaged in community development activities. 	<ul style="list-style-type: none"> ● Enhanced value through the manufacture of quality premium products. ● Grew business around a relatively small Balance Sheet. ● Business marked by low gearing.
<p>Creating a professional culture; seeking overarching excellence in everything the company does</p>	<p>Community engagement; widening prosperity</p>	<p>Customer's needs for a high customised quality product</p>
<p>Intellectual, Human</p>	<p>Social and Relationship, Natural</p>	<p>Intellectual, Manufactured, Social and Relationship</p>

How we enhance value

OUR RESOURCES

 <p>Financial capital</p> <p>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.</p>	 <p>Manufactured capital</p> <p>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.</p>	 <p>Human capital</p> <p>Our management, employees and contract workers form a part of our workforce, their experience and competence enhancing value.</p>
 <p>Intellectual capital</p> <p>Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge, account for our intellectual resources.</p>	 <p>Natural capital</p> <p>We depend on raw materials like soyabean sourced from nature that is grown seasonwise, indicating a moderate impact on the natural environment.</p>	 <p>Social and relationship capital</p> <p>Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.</p>

VALUE CREATED

Financial capital



Human capital



Intellectual capital

Experienced senior management

Status of company:
Premium refined soya oil and soya value-added products company.

“ I have been here for just six months. When I joined, the reputation for our edible oil brand was that it was superior to the rest. Within the short time I have been here, I have seen so many improvements that the best has just got better in terms of quality, yield and crude oil standardisation. What my brief experience here has taught me is that there is no finishing line at Kriti. ”

Pradeep Kumar Sharma, Senior General Manager
(Operations and Administration), Kriti Nutrients Ltd.

1.39

Bn Population of India,
2020

46.9

%, Indian population
below the age of 25

28.4

Median age of Indians,
2020

38.4

Median age of China by
2020

500

Mn, Number of middle-
class households in India
by 2030.

2

India's rank in the list
of largest middle-class
populations.

1

India's position among
world's largest palm oil
consumers

19

Kgs, Average per capita
consumption of cooking
oils in India in 2020

Management discussion and analysis

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel

coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported

a significant decline from USD 1.5 Tn in 2019 to USD 859 Bn in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Regional growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5 % in 2021, largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Indian economic review

The Indian economy passed through one of the volatile

periods in living memory in 2020-21.

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 bn was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slipping economy as 1.38 Bn Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of

2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the

July-September quarter and reported 0.4% growth in the October-December quarter and a 1.6 % growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3 % during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	-7.3

Growth of the Indian economy, 2020-21

	Q1, FY21	Q2, FY21	Q3 FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

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

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from ₹1.35 Lakh in 2019-20 to ₹1.27 Lakh in 2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of 2020-21.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to USD 57 Bn in 2020.

The gap between government expenditure and revenue was estimated at ~₹12 Tn due to increased borrowing by the government in May 2020 to address the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of USD 23.6 Bn in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of USD 2.5 Tn in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the ₹45,000 Cr partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved

amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

India's foreign exchange reserves continue to be in record setting mode – FY 20-21 saw USD 101.5 Bn dollars accretion in reserves, the

steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and

can cover more than a year's import payments.

Outlook

The outlook for the country appears to be positive across the medium-term after Indian has successfully countered the pandemic, resulting in a revival of consumer demand. The Indian economy is expected to grow in the high single digits during the year under review as per advance estimates.

Overview on soyabean

Soyabeans contain more protein per acre of land than any other crop and are considered to be one of the richest and cheapest sources of protein in the world. The seed comprises 72% meal (50% comprising protein) and 17% oil and is heavily consumed in East Asia in the form of soy milk and tofu, a curd resembling cottage cheese.

Soyabean also provides soy oil, which can be used for cooking or solely as an ingredient. It can be used for making animal food after removing the oil. Protein powder and isoflavone

supplements can also be made from soy. Soyabean contains 17% oil, 36% proteins, 30% carbohydrates and significant quantities of dietary fibre, minerals and vitamins.

Soy is considered to be a complete protein as it contains all nine essential amino acids. It forms an essential part of vegetarian diets. Soya beans provide a good source of various vitamins and minerals like molybdenum, vitamin K1, folate, copper, manganese, phosphorus and thiamine. Protein is the only macronutrient, which contains nitrogen, without which we cannot grow or reproduce.

Some of the health benefits of consuming soyabean are:

- Obesity management
- Treatment of osteoporosis
- Reducing the risk of type 2 diabetes
- Reducing the risk of breast cancer

Nutritional value of soyabean (boiled) per 100 grams

- **Calories:** 173
- **Water:** 63%
- **Protein:** 16.6 grams
- **Carbs:** 9.9 grams
- **Sugar:** 3 grams
- **Fiber:** 6 grams
- **Fat:** 9 grams

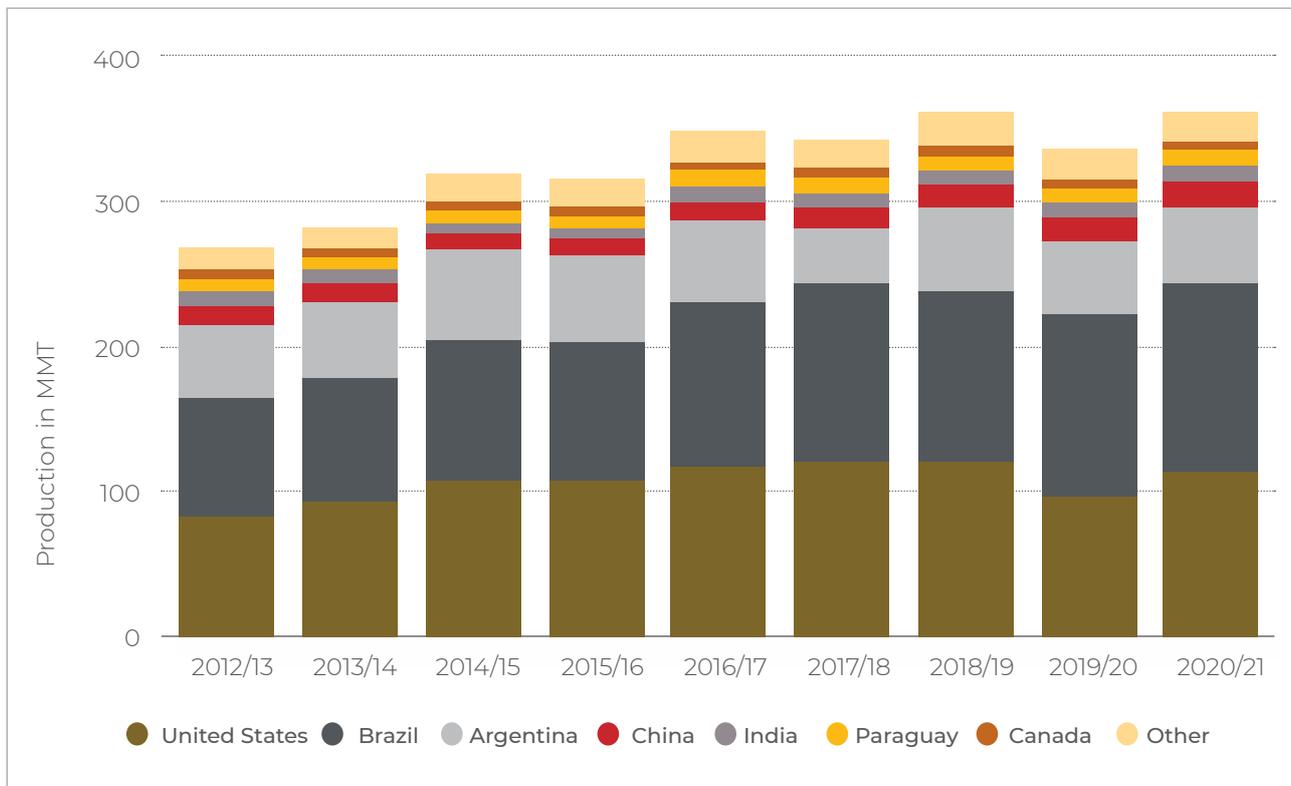
Global soyabean market overview

The global soyabean market was estimated at USD 52.6 Bn in 2020. Asia Pacific is the geographical leader with a global share of 32-34% in 2018 due to increased consumption

of soyabean products. Rising awareness among the consumers about environmental sustainability and increasing acceptance among vegans have led to this increase in consumption. Soyabean is the perfect replacement for dairy as it contains the same nutrients.

The total global soyabean production was estimated at around 361 Mn Tons with Brazil accounting for 133 Mn Tons (January 2021). (Source: World Agriculture)

Leading soyabean producers in the world in 2020-21 (MMT)



(Source: Statista)

China was the largest importer of soyabean in 2020-21 with an annual import volume of 100 MMT out the global import of 153.31 MMT. The trade war between US and China was

the major reason that led to the United States losing its top position. Although the United States and Brazil are the main producers of soyabeans, China leads the soyabean oil

production worldwide. In 2018, Brazil was the largest exporter of soyabean, accounting for 51% of total exports, closely followed by Argentina, Paraguay and Canada.

Largest importers of soyabean, 2020-21

	Import (MMT)
China	100
European Union	15.4
Mexico	6.2
Egypt	4.15
Argentina	4.0
Bangladesh	4
Thailand	3.89

(Source: Statista)

Top consumers of soyabean meals globally in 2019

Country	Cosumption (thousand metric Tons)
India	250
Japan	150
Vietnam	120
Mexico	50
South Korea	25
Bangladesh	4

(Source: NationMaster)

The global soyabean market is projected to grow at a CAGR of 5.96% between 2020-27 to reach a market value of USD 78.99 Bn. There has been a significant increase in the demand for soyabean derivatives over the past few years. Rise in incomes and consumer awareness will result in a higher offtake of nutraceuticals and animal feed segment. Asia-Pacific and Latin America are projected to account for >78% of the global market share by 2025. (Source: Transparency Market Research, Business Wire, Statista, Mordor Intelligence, S&P Global, SOPA)

Indian soyabean market overview

The Indian soyabean production was estimated at 122.46 Lakh Tons in 2020, nearly 31.5% higher than the previous year's output of 89.94 Lakh Tons. This increase was mainly due to a good monsoon, especially in

the key crop growing areas Area under oilseeds, rice and pulses was higher than the previous year, and crops grew well under favourable weather conditions. Total monsoon rainfall since the start of the season on 1st June 2020 was nearly 7% higher than the average. Rainfall had marginally weakened in July, but the monsoon bounced back in August 2020, delivering more than 22% above normal rainfall. In the key oilseeds-growing area of central India, total rainfall was 10% above normal.

In Madhya Pradesh, yield of soyabean increased by ~12% to 58.53 Lakh Tons in the 2020-21 season, compared to 40.17 Lakh Tons in the previous season. The acreage also declined by 4% to 51.95 Lakh hectare compared to 54.10 Lakh hectare in 2018. The main districts that were affected by heavy rainfall were Neemuch, Mandsaur and Ratlam.

Maharashtra is the second largest producer of soyabean in India. The total soyabean production was pegged at 45.13 Lakh Tons, a 14% increase over 34.34 Lakh Tons in the previous year. The total acreage is expected to have increased by 5% to reach 39.29 Lakh hectares.

The growth of the Indian soyabean industry is likely to be catalysed by rising awareness about the benefits of a healthy diet and it is projected to drive demand over the foreseeable future. Soyabean is also an important component of animal feed. The Indian animal feed market was pegged at ₹400.5 Bn in 2018 and is projected to grow at a CAGR of 14.3% during 2019–2024 to reach a market value of 898.5 Bn by 2024, which could drive the demand for soyabean. (Source: The Hindu Business Line, Market Reports on India, SOPA, Business Wire)

Key numbers

States	Kharif 2020		
	Sowing area	Expected yield	Estimated production
Rajasthan	11.002	780	8.585
Madhya Pradesh	58.541	714	41.774
Maharashtra	40.398	1125	45.446
Andhra Pradesh	1.599	1028	1.644
Chhattisgarh	0.776	884	0.686
Gujarat	1.492	972	1.450
Karnataka	3.320	1124	3.732
Others	1.257	988	1.242
Grand Total	118.385	883	104.559

(Source: SOPA Databank)

Government initiatives

- The target for agricultural credit was increased to ₹16.5 Lakh Cr to ensure availability of higher credit to farmers and for sectors like animal husbandry, dairy and fisheries
- Extended the SWAMITVA

Scheme to all States/UTs to increase transparency in property ownership in villages. As of 2020, >1.80 Lakh property owners in 1,241 villages had been provided cards.

- Re-structured the Pradhan Mantri Krishi Sinchayee Yojana

(PMKSY) with the vision to extend the coverage of irrigation and improve water use efficiency.

- Introduction of the Parampragat Krishi Vikas Yojana (PKVY). Under the scheme, the Government of India would provide financial

assistance to the farmers of ₹50,000 per hectare every three years for organic inputs, certification, labelling, packaging, transportation and marketing of organic produce.

- Introduced the Soil Health Card (SHC) scheme through which health cards are issued to farmers every two years to create a basis to address nutritional deficiency in the fields
- Increased allocation towards the rural infrastructure development fund from ₹30,000 to ₹40,000
- Allocation towards Micro Irrigation Fund corpus was doubled to ₹10,000 Cr via NABARD

(Source: E-times, Rural Marketing)

Growth drivers

Favourable policies: The Union Cabinet gave an in-principle approval for fund allocation worth ₹22,138 Cr for the three sectors — food products, electronics and technology products, and white goods, which will catalyse the growth of Indian companies.

Demographic dividend:

India's population is among the youngest in the world. By 2022, the median age in India will be 28 years, compared to 37 in China and United States. A larger workforce will strengthen domestic demand in a sustainable way. (Source: The Hindu)

Rising population: India is projected to overtake China as the world's most populous country by 2027. India's population has grown from 555.2 Mn in 1970 to 1.38 Bn in 2020.

Rising health awareness: People are becoming more health-conscious and rising awareness about the nutritional value of soyabean could drive demand.

Growth of the animal feed

market: The Indian animal feed market is projected to reach a total value of 898.5 Bn by 2024. This could drive the demand for soyabean over the foreseeable future.

Vegan revolution: India has been going through a vegan revolution for the past couple of years. Rising awareness about animal cruelty and environmental sustainability are projected to drive the demand for soyabean products over the foreseeable future.

Company overview

Kriti Nutrients Limited is engaged in the business of processing soyabeans, oil refining and the production of soya-based products. Since its inception in 1993, the Company has established itself as one of most trusted and reliable companies through consistent product quality and customer service.

The Company's manufacturing facility is located in a soya-rich belt in Dewas and spread

across 70149 square metres. The state-of-the-art manufacturing complex comprises 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 2020-21, the Company derived 86% of its revenues from domestic sales and 14% from exports. The Company derived its domestic revenues from B2C sales and export revenues from B2B customers, with whom the Company developed long-standing relationships.

Financial performance

Revenues: Revenue during the year stood at ₹692.51 Cr, increasing by 32.24% compared to ₹523.66 Cr in FY 19-20.

Interest and finance costs:

Net interest and finance costs decreased by 44.72 % during the year due to the combined effect of a reduced interest rate caused by upgraded CARE A- rating and efficient working capital utilisation.

Profit after tax: The Company registered a profit after tax of ₹15.06 Cr compared to ₹19.00 Cr in the previous year.

Key ratios and numbers

Particulars	2019-20	2020-21
Turnover (₹ cr)	523.66	692.51
Debt-equity ratio	Nil	Nil
Return on equity (%)	21.56	14.91
Book value per share (₹)	17.30	20.16
Earnings per share (₹)	3.79	3.01

Business strategy and outlook

The outlook of the business appears positive 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. Besides, the company intends to develop products at superior margins that should grow volume and value.

Information and technology

The Company invested extensively in information technology (IT) to enhance operational efficiencies through the implementation of softwares like SAP Enterprising Resource Planning System, CRM, HRM and Sales Force Mobility. SAP HANA was also implemented to enhance the process of business analytics and increase efficiencies. The Company will ensure that it continues to invest in technology upgradation to ensure that they are able to achieve global excellence.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Human resources

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as 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 260 as on 31st March, 2021.

Cautionary statement

The management discussion and analysis report containing your 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.

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly.

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting (AGM) of the Members of Kriti Nutrients Limited will be held on Saturday, the 7th Day of August, 2021 at 4:30 P.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purposes the Corporate Office of the Company situated at 8th Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.) 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 31st March, 2021, the Statement of Profit & Loss, Cash Flow, Change's in Equity and notes thereto of the Company for the Financial Year ended 31st March 2021 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 31st March, 2021.
3. To consider and approve the Appointment of M/s M Mehta & Co, Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s M. Mehta & Co. Chartered Accountants (Firm Registration No. 000957C) be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company to be held in the calendar year 2026 in place of the existing retiring auditors M/s R.S. Bansal & Co. Chartered Accountants, (F.R.No. 000939C) whose term will be completed on the conclusion of the ensuing annual general meeting, at such remuneration as may be mutually agreed to, between the Board of Directors and the Auditors, plus applicable taxes and reimbursement of travel and out-of-pocket expenses if any."

SPECIAL BUSINESS

4. TO RATIFY THE REMUNERATION PAYABLE TO THE COST AUDITORS

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 ₹30,000 (Rupees Thirty 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 Auditors to conduct the audit of the Cost Records for the Financial Year ending 31st March, 2022."

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

5. RE-APPOINTMENT OF MR. SHIV SINGH MEHTA (DIN: 00023523) AS THE CHAIRMAN AND MANAGING DIRECTOR:

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

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, subject to the provisions of sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the company, the consent of the Members be and is hereby accorded for the re-appointment of Mr. Shiv Singh Mehta (DIN:00023523) as the Chairman and Managing Director of the company, who is also the Chairman and Managing Director of Kriti Industries (India) Limited for a further period of five years commencing w.e.f. 12th January, 2022 to 11th January, 2027 and he will attain the age of 70 years during this term, on such remuneration and terms and conditions as are annexed herewith as explanatory statement and whose period of office is liable to retirement by rotation.

FURTHER RESOLVED THAT in the event of there being any loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Shiv Singh Mehta shall be minimum remuneration payable by the Company.

FURTHER RESOLVED THAT there shall be clear relation of the Company with Mr. Shiv Singh Mehta as "the Employer-Employee" and each party may terminate the above said appointment with six months notice in writing or salary in lieu thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to decide breakup of his remuneration within the permissible limits in its absolute discretion as may considered necessary, expedient or desirable and to vary, modify the

terms and conditions and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

6. RE-APPOINTMENT OF MR. SAURABH SINGH MEHTA (DIN: 00023591) AS THE WHOLE TIME DIRECTOR OF THE COMPANY:

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 recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, subject to the provisions of sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the company, consent of the members be and is hereby accorded to re-appoint Mr. Saurabh Singh Mehta (DIN:00023591) as the Whole-time Director of the Company for a further period of 5 years with effect from 1st August, 2022 to 31st July, 2027 on such remuneration and terms and conditions as are annexed herewith as explanatory statement and whose period of office is liable to retirement by rotation.

FURTHER RESOLVED THAT in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. Saurabh Singh Mehta shall be minimum remuneration payable by the Company.

FURTHER RESOLVED THAT there shall be clear relation of the Company with Mr. Saurabh Singh Mehta as “the Employer-Employee” and each party may terminate the above said appointment with six months notice in writing or salary in lieu thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to decide breakup of his remuneration within the permissible limits in its absolute discretion as may considered necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

Date: 15th May, 2021

Place: Indore

Kriti Nutrients Limited

CIN: L24132MP1996PLC011245

Registered Office: Mehta Chambers, 34 Siyaganj,

Indore-452007

By order of the Board

Swati Tiwari

Company Secretary &

Compliance officer

ACS 21460

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 and Circular No. 2/2021 dated 13th January, 2021, 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, 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 Chairpersons 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 and 13th January, 2021 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.
6. 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 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.
7. 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 and MCA Circular No. 2/2021 dated 13th January, 2021.
8. 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.
9. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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, 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.
10. 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.
11. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of shareholders w.e.f. 1st April, 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 by 11:59 p.m. IST on or before 1st August, 2021. 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. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before 1st August, 2021.

12. 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.
13. Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 1st August, 2021 to Saturday, 7th August, 2021 (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 31st July, 2021 (Saturday)
14. 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.
15. 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 so that the information required may be made available at the Meeting.

16. 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 soft copy of the Annual Report of the Company
17. 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 ankit_4321@yahoo.com, rtaindore@gmail.com to receive the soft copy of all communication and notice of the meetings etc., of the Company.
18. The report on the Corporate Governance and Management Discussion and Analysis also form part to the Board Report.
19. 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 25th AGM. Members seeking to inspect such documents can send an email to cs@kritiindia.com.
20. 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 2013-14) 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.
21. As per SEBI Circular dated 20th 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 ankit_4321@yahoo.com, rtaindore@gmail.com.

22. 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 31.03.2021 (₹)
2013-14	25/09/2014	01/11/2021	185947.4
2014-15	24/09/2015	31/10/2022	222149.9
2015-16	11/08/2016	18/04/2023	222951.36
2016-17	12/09/2017	19/10/2024	243547.32
2017-18	31/07/2018	12/09/2025	389633.62
2018-19	14/08/2019	19/09/2026	224437.32
2019-20	08/08/2020	13/09/2027	189599.58

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

- (i) The voting period begins on 04th August, 2021 (Wednesday) and ends on 6th August, 2021 (Friday). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) 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.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December, 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 is given below:

(v)

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/Secure Web/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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 helpdesk.evoting@cdslindia.com or contact at 022- 230587-38 and 022-23058542-43.
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" module
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant the first two letters of their name and the 8 digits of the sequence number in the PAN field.

	For Shareholders holding shares in Demat Form and Physical Form
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"> 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 as mentioned in instruction (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant "Kriti Nutrients Limited" on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 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.

(xvii) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- 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.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz; 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.

24. Instructions for shareholders attending the AGM through VC/OAVM & E-Voting during meeting are as under:

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) 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 Remote e-voting.
- (iii) 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.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.

(vii) 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 (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

(viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(ix) 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.

(x) 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 shall 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 ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

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 or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call on 022-23058542/43.

25. 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).
26. 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. 31st July, 2021 (Saturday), may obtain the login ID and password by sending a request at rtaindore@gmail.com.
27. 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. 31st July, 2021(Saturday), only shall be entitled to avail the facility of remote e-voting as well as e- voting at the AGM.
28. 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 Gambit have-not cast their votes by availing the remote e-voting facility.
29. The Results of the voting on the resolutions along with 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 authorised by him in writing. The results shall also be immediately forwarded to the BSE Ltd.
30. 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: ankit_4321@yahoo.com, info@ankitonline.com
31. As the 25th 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	Mr. Shiv Singh Mehta	Mr. Saurabh Singh Mehta
DIN	00023523	00023591
Date of Birth	03.03.1954	29.07.1981
Date of Appointment	04.09.2015	26.12.2009
Qualification	B.E., MBA	BE, MBA
Expertise in specific area	Finance, Marketing, Technical and Business Administration	Administration, Marketing & IT
List of Outside Directorship held	Sakam Trading Private Limited, Rajratan Global Wire Limited, Kriti Industries (India)Limited, Kriti Auto & Engineering Plastics Private Limited	Kriti Industries (India) Limited, Kriti Auto & Engineering Plastics Pvt. Ltd., Sakam Trading Private Limited, Kriti Specialties Private Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman: -Nil Member:-1.Stakeholder Relationship Committee	Chairman: -Nil Member: -1. Corporate Social Responsibility
No. of Equity Shares held	20,40,312 (4.63%)	30,440 (0.06%)

Brief Resume

1. Mr. Shiv Singh Mehta:

Mr. Shiv Singh Mehta holds a Bachelor degree in Electrical Engineering and Master's Degree in Business Administration is the founder, core promoter and the Chairman and Managing Director of the Company. Kriti Group of Industries comprises of Kriti Industries (India) Ltd, Kriti Nutrient Ltd. and Kriti Auto & Engineering Plastics Pvt. Ltd. having an annual turnover about ₹1280 Crores.

2. Mr. Saurabh Singh Mehta:

Mr. Saurabh Singh Mehta did his Bachelors of Engineering in Computer Science from Ohio State University and MBA in family business from S.P Jain Institute of Management & Research. In past he was involved in various sports activities at regional and Past President, Leo Club Indore and received the award of Best President and best Club leader award in district and also interested in western Music having pass grade from Associated Board of Royal School of Music, London. He has over 11 years of diverse experience in the Industry.

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

ITEM NO. 3:

The existing Auditors, M/s R.S. Bansal & Co., Chartered Accountants, (F.R.N. 000939C) were re-appointed by the Members for a second term of five years at the Annual General Meeting of the Company held on 11th August, 2016 to hold office till the conclusion of the ensuing Annual General Meeting. Pursuant to section 139 and other applicable provisions, as may be applicable of the Companies Act, 2013 read with Rule 33 of Companies (Audit and Auditors) Rules, your company is required to rotate the statutory auditors on completion of the term permitted under the said section.

The Board of Directors on recommendation of Audit Committee has considered that the proposed Auditors M/s M. Mehta & Co. has varied experience for auditing and taxation matter and is renowned firm of the Indore (M.P) and is having Peer Reviewed by the Peer Review Board of the Institute of Chartered Accountants and being eligible has given confirmation of their eligibility. Therefore, the appointment of M/s M. Mehta & Co., Chartered Accountants (F.R.N.000957C) as the Statutory Auditors was recommended to the Board of Directors and your Board of Directors proposes to appoint them to hold office for a term of 5 consecutive years from the conclusion of the 25th Annual General Meeting on 7th August, 2021 till the conclusion of the 30th Annual General Meeting to be held in the year 2026.

None of the directors or Key Managerial Personnel (KMP) or their relatives are, concerned or interested financially or otherwise in the proposed Resolution. The Board recommends to pass necessary resolution as set out in the Item No. 3 of the notice as an Ordinary Resolution.

ITEM NO. 4:

Members are hereby informed that on the recommendation of the Audit Committee, Board of Directors of your Company re-appointed Mr. S.P.S. Dangi, Cost Accountant, Indore as Cost Auditors of the Company for the year 2021-22 on the remuneration of ₹ 30,000/-, 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 25th 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

The existing tenure of Shri Shiv Singh Mehta as Chairman and Managing Director of the company is expiring on 11th January, 2022. Upon the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors at its meeting held on 15th May, 2021 have passed the resolution for his re-appointment as the Chairman and Managing Director w.e.f. 12th January, 2022 for a further term of 5 (Five) years subject to approval of member in ensuing Annual General Meeting of the company on the terms and conditions as mentioned below:

1. Salary: Upto ₹ 5.00 Lakhs Per Month
2. Perquisite: Upto ₹ 0.50 Lakhs Per Month
3. Incentive/ Commission

The aforesaid salary, perks and incentives/ commission shall be subject to the maximum amount of 5% of the net profits of the Company in the financial year as determined under section 197 and 198 of the Companies Act, 2013 Shri Shiv Singh Mehta shall have the option from which company Kriti Industries (India) Ltd and/or Kriti Nutrients Ltd. he wants to take the amount of incentive /commission as recommended by Nomination & Remuneration Committee and approval by the Board, which shall be paid at the end of the financial year.

Shri Shiv Singh Mehta is going to attain the age of 70 years on 3rd March 2024 and he is eligible for re-appointment for period of five years after passing special resolution pursuant to the proviso of section 196(3)(a) of the Companies Act, 2013.

In view of his attaining the age of 70 years on 3rd March, 2024, and proposed re-appointment for a period of five years from 12th January, 2022 to 11th January, 2027 the company needs to seek approval of members by way of special resolution u/s 196(3)(a) read with Schedule V of the Companies Act, 2013.

Further the remuneration payable may be revised from time to time as may be deemed suitable by the Board upon recommendation of the Nomination and Remuneration Committee within the limits of Schedule V subject to approval of the members at the Annual General Meeting.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Shri Shiv Singh Mehta, as required under section 102 of the Companies Act, 2013 as set out in the Item No. 5 of the notice and recommend to pass necessary special resolution at the Meeting.

None of the directors except Shri Shiv Singh Mehta, being appointee is financially interested and Smt. Purnima Mehta and Shri Saurabh Mehta, being relatives are concerned or interested otherwise in the resolution. Shri Shiv Singh Mehta is in a promoter group and also holding 20,40,312 equity shares of ₹1/- each consisting of 4.07% of the total paid up capital of the Company.

The Information as required under section II, Part 2 of the Schedule V is being given with the Item No. 6 being the information are in

common nature.

ITEM NO. 6

The existing term of Mr. Saurabh Singh Mehta as Whole Time Director is expiring on 31st July, 2022. Upon the recommendation of the Remuneration Committee of the Board, the Board of Directors at its meeting held on 15th May, 2021 passed the resolution for his re-appointment as the Whole Time Director w.e.f. 1st August, 2022 to 31st July, 2027 for a term of 5 (Five) years subject to approval of members in ensuing Annual General Meeting of the company on the terms and conditions as mentioned below:

- Salary: ₹ 400000/-per month
- Perquisites and allowances: ₹ 50000/-per month
- Incentive / Commission

The aforesaid salary perks and incentives/ commission shall be subject to the maximum amount of 5% of the net profits of the Company in the financial year as determined under section 197 and 198 of the Companies Act, 2013 which shall be paid at the end of the Financial Year. Further the remuneration payable may be revised from time to time as may be deemed suitable by the Board upon recommendation of the Nomination and Remuneration Committee within the limits of Schedule V subject to approval of the members at the Annual General Meeting.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Shri Saurabh Singh Mehta, as required under section 102 of the Companies Act, 2013 as set out in the Item No.6 of the notice and recommend to pass necessary ordinary resolution at the Meeting.

None of the directors except Shri Saurabh Singh Mehta, being appointee is financially interested and Smt. Purnima Mehta and Shri Shiv Singh Mehta, being relatives are concerned or interested otherwise in the resolution. Shri Saurabh Singh Mehta is in a promoter group and also holding 30,440 equity shares of ₹1/- each consisting of 0.06% of the total paid up capital of the Company.

The Information as required under section II, Part 2 of the Schedule V is being given as under:

I. General Information:

S. No.	Particulars	Shri Shiv Singh Mehta Chairman and Managing Director	Shri Saurabh Singh Mehta Whole-time Director	
(1)	Nature of industry	Soybean processing and producing branded refined soybean edible oil etc.		
(2)	Date or expected date of commencement of commercial production	Already in commercial operations since long		
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.		
(4)	Financial performance based on given indicators	The Company has achieved the following financial during the year 2019-20 and 2020-21 (₹ In Lakhs)		
		Parameter	2019-20	2020-21
		Turnover/ Income	52037.79	69005.57
		Profit Before Tax	2225.57	2028.09
		Profit after Tax	1900.51	1505.67
		Dividend	18%	18%
(5)	Foreign investments or collaborations, if any.	Nil		

II. Information about the appointee:

S. No.	Particulars	Shri Shiv Singh Mehta Chairman and Managing Director	Shri Saurabh Singh Mehta Whole-time Director
(1)	Background details	As stated above	
(2)	Past remuneration	During the year 2020-21, Mr. Shiv Singh Mehta has not withdrawn any salary from the Company.	During the year 2020-21, Mr. Saurabh Singh Mehta was paid salary of ₹ 101.62 Lakhs which includes perquisites and commission of 5% of Net Profit of the Company.
(3)	Recognition or awards	As stated above	

S. No.			
(4)	Job profile and his suitability	He is Chairman and Managing Director subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time. He has been associated with the business of the Company since inception. Considering his background and experience, he is eminently suitable to continue to hold the position of Chairman and Managing Director of the Company.	He is Whole Time Director of the Company and shall perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time. Considering his background and experience, he is eminently suitable to continue to hold the position of Whole Time Director of the Company.
(5)	Remuneration proposed	As stated above	
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is in line with remuneration payable to the Directorial personnel holding similar stature/position in the Industry.	
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Besides remuneration, Shri. Shiv Singh Mehta holds 20,40,312 (4.07%) of the Equity Shares of the Company. He is also relative of Shri Saurabh Singh Mehta (Son) Whole-time Director.	Besides remuneration, Shri. Saurabh Singh Mehta holds 30,440 (0.06%) of the Equity Shares of the Company. He is also relative of Shri Shiv Singh Mehta (Father) Chairman and Managing Director.

III. Other information:

S. No.			
(1)	Reasons of loss or inadequate profits	Not Applicable, since the Company reported a profit in the current year, and has been consistently earning profits since inception, and has a strong net worth and effective capital.	
(2)	Steps taken or proposed to be taken for improvement	The Company is continuing making efforts for improvement of the financial results and create worth for the stakeholders and investors of the company.	
(3)	Expected increase in productivity and profits in measurable terms	N.A.	

Date: 15th May, 2021

Place: Indore

Kriti Nutrients Limited

CIN: L24132MP1996PLC011245

Registered Office: Mehta Chambers, 34 Siyaganj,
Indore-452007

By order of the Board

Swati Tiwari

Company Secretary &

Compliance officer

ACS 21460

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 25th Annual Report on the affairs of the Company together with the Audited Financial Statements for the Financial Year ended on 31st March, 2021.

FINANCIAL HIGHLIGHTS

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

PARTICULARS	₹ In Lakhs	
	31.03.2021	31.03.2020
Revenue from Operations	69005.57	52037.79
Other Income	245.07	328.48
Total Revenue	69250.63	52366.27
Operating Expenses	67222.34	50140.70
Profit/ (Loss) before Exceptional Items and Tax	2028.09	2225.57
Exceptional Items	0.00	0.00
Profit/ (Loss) before Tax	2028.09	2225.57
Tax Expenses		
(a) Current Tax	539.40	554.54
(b) Deferred Tax	(16.78)	(229.48)
Profit/ (Loss) after Tax	1505.67	1900.51
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, 2021, your Company has achieved an operational turnover of ₹ 69005.57 Lakhs as compared to an operational turnover of ₹ 52037.79 Lakhs in the previous Financial Year, and the Profit after Tax is ₹ 1505.67 Lakhs as compared to Profit after Tax of ₹ 1900.51 Lakhs in the previous Financial Year.

IMPACT OF COVID-19 PANDEMIC

According to The Reserve Bank of India (RBI), the resurgence of Covid-19 has dented but not debilitated economic activity in the first half of the first quarter of 2021-22. Although still extremely tentative, the overall assessment is that the loss of momentum is not as severe as it was at this time a year ago. The impact of the second wave on the real economy seems to be limited so far in comparison with the first wave. Evidently, the localised nature of lockdowns, better adaptation of people to work-from-home protocols, online delivery models, e-commerce, and digital payments, were at work. Real economy indicators moderated in April and May 2021, as many states-imposed restrictions to arrest the renewed surge in infections.

"The second wave" has intensified in metros/cities, and relative to the first wave, it has spread rapidly across states, regions, and into rural pockets. On the global front, a strong bounce back in the US economy appears to be underway, notching an annualised growth rate of 6.4% in Q1:2021 on the back of stimulus, vaccinations and easing of lockdowns.

The British economy has emerged out of lockdown from the onset of Q2:2021. New surges of the virus have pushed the Eurozone

into a double-dip recession, with widely differentiated growth profiles among members.

MSME sector, the second highest employer after agriculture, has been impacted very much and would require financial assistance. The government might tweak the existing Emergency Credit Line Guarantee Scheme to provide immediate help to the sector, the sources added. Currently, around 6.5 Cr Micro, Small and Medium Enterprises (MSMEs) contribute 30% of the GDP. Recently, the RBI also announced a loan restructuring scheme for small borrowers amid the pandemic.

However, it is said that fiscal stimulus would be effective only once local lockdowns ease and restrictions on business due to curfews are lifted. Most of the states have imposed curfews in their states to contain spiraling COVID infections and deaths. Also, the second COVID wave has dealt a blow to both consumer and investor sentiments, which also need to be lifted.

It is understood that "Niti Aayog" is working on the focus areas of economy and what could be done to stimulate demand in sectors that have been impacted the most by COVID. However, rating agencies have lowered growth forecasts for India saying that the second wave of infections will hamper economic recovery. They, however, projected that the negative impact on economic output will be limited to the April-June quarter. Moody's has projected growth of 9.3% for current fiscal, lower than 13.7% estimated earlier.

S&P Global Ratings has said growth could drop to 9.8% in a 'moderate' scenario of infections, and could be even as low as 8.2% in a 'severe' scenario. S&P had earlier estimated growth of 11% for

the current fiscal. According to Fitch Ratings, India's slow pace of vaccination could mean that the country remains vulnerable to further waves of the pandemic.

As per the official estimate, the country's economy is projected to contract by 8% in 2020-21.

Soon after the pandemic hit the country and a nationwide lockdown was imposed, the government, in March 2020, announced a ₹1.70 Lakh crore-Pradhan Mantri Garib Kalyan Yojana (PMGKY) to protect the poor and vulnerable from the impact of the pandemic. It was followed by the "Aatmanirbhar Bharat Abhiyan" package in May 2020 largely focused on supply-side measures and long-term reforms. To boost consumption during the festival season, the government, in October 2020, announced measures that were worth close to ₹73,000 Cr to stimulate consumer spending in an effort to rein in the slowdown due to the pandemic. Aatmanirbhar Bharat Abhiyan 3.0 unveiled in November 2020, ahead of Diwali, was worth ₹2.65 Lakh crore. Of the total amount, the maximum of ₹1.45 Lakh Cr was allocated to give a boost to manufacturing activities.

The business of Kriti was affected more in second wave as compared to first wave during peak seasons, however, with a focused attention on other non-seasonal products and better inventory management, Kriti has been able to maintain the volumes by registering marginal growth in different verticals and achieving better efficiency and cost reduction in FY 2020-21.

DIVIDEND

Your directors pleased to recommend a dividend @ 18% (₹0.18/- per equity shares of ₹1/- each on 50103520 Equity Shares) for the Financial Year 2020-21 aggregating to ₹90.19 Lakhs (Previous year @ 18% (₹0.18 per equity shares of ₹1/- each on 50103520

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 At the beginning of the year Maximum during the year At the end of the year	N.A.
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, Members at their 24th Annual General Meeting held on 8th August, 2020 has re-appointed Shri Shiv Singh Mehta (DIN: 00023523) and Shri Saurabh Singh Mehta (DIN: 00023591) Directors of the Company as director liable to retire by rotation who was eligible for re-appointment.

Equity Shares aggregating to ₹90.18 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 ₹ 150 Lakhs (Previous year ₹ 150 Lakhs) to the general reserves.

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March 2021 was ₹ 501.04 Lakhs divided into 50103520 equity shares of ₹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.

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 31st March, 2021. 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.

Managing and Whole-time Directors seeking their re-appointment at the ensuing Annual General Meeting:

Upon the recommendation of the Nomination and Remuneration Committee, your Board of Directors has recommended the re-appointment of the following directors by passing Special resolutions at the ensuing Annual General Meeting:

1. Re-appointment of 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. 12th January 2022 to 11th January, 2027 and will also attaining the age of 70 years during the proposed tenure.

2. Re-appointment of 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. 1st August, 2022 to 31st July, 2027.

Necessary information on the Director(s) seeking re-appointment has been given in the Notice of the ensuing Annual General Meeting.

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. Suresh Chand Jajoo Chief Financial Officer (ceased w.e.f. 30th October, 2020)
- iv) Mr. Shashank Belkhede, Chief Financial Officer, (appointed w.e.f. 1st November 2020)
- v) Mr. Sachin Upadhyay, Company Secretary and Compliance Officer (ceased w.e.f. 20th February, 2021).
- vi) Mrs. Swati Tiwari, Company Secretary and Compliance Officer (appointed w.e.f. 24th March, 2021).

There is no change in the KMPs of the Company except the 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 five (5) 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 Complain 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/>.

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.

None of employees are in receipt of the remuneration in excess of ₹102.00 Lakh or more per annum or ₹8.50 Lakhs per month for part of the year. Also, none of the employees received remuneration in excess of that drawn by the Whole-time director. Further, Shri Shiv Singh Mehta, Chairman and Managing Director is not withdrawing any remuneration from the company being he is drawing remuneration from other company. 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 along with 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, 2021, 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, 2021 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 31st March, 2021 is available on the Company's website and can be accessed at <https://kritinutrients.com/form-mgt-7/>

AUDITORS AND THEIR REPORT

The consecutive 5 years term of M/s R.S. Bansal & Co., Chartered Accountants (FRN:000939C), Indore as Statutory Auditors of the Company will expire at the conclusion of ensuing 25th Annual

General Meeting (AGM). Accordingly, in terms of provisions of section 139 of the Companies Act, 2013 the Audit Committee and Board recommends the appointment of M/s M Mehta & Co, Chartered Accountants (FRN: 000957C), Indore as Statutory Auditors of the Company to hold office of the Auditors for a term of 5 consecutive years from the conclusion of 25th AGM till the conclusion of 30th Annual General Meeting to be held in the year 2026 on such remuneration as may be mutually decided by the Auditors and Board. As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the proposed 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 2020-21 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 2020-21. The Company has filed the Cost Audit Report for the year 2019-20 to the Central Government.

The Board on the recommendation of the Audit Committee, at its meeting held on 15th May, 2021 has re-appointed Mr. S.P.S. Dangi as the Cost Auditors to conduct the Audit of the Cost Accounting records for the financial year 2021-22. 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 payable to Mr. S.P.S. Dangi, Cost Auditors for the financial year 2021-22 for the ratification by the Members in the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s. Kaushal Agrawal & Co., Company Secretaries, Indore to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March 2021 in Form MR-3 is attached as "Annexure E" and forms part of this Report. The observations made by secretarial auditor in their audit report are self explanatory for Para No. i to iii ; hence no further explanation is required.

S. No. of the Report	Auditor's Observation	Management's Explanation
iv	Under the head of "indebtedness" amount of ₹326.42 Lakhs shown in Form MGT-9 under the head unsecured Loans for the financial year ended 31.03.2020 (enclosed with Board Report dated 29.06.2020) not matched with of the Audited Financial Statements for the Financial Year ended 31.03.2020.	There was typographical error in providing details in the Form MGT-9. However, in the Financial Statements the correct figures was shown. Further That, in the Form No. DPT-3 as well as Annual Return in Form no. MGT-7, correct figure was shown.
v	Number of shares transferred to Investor Education and Protection Fund as filled in Form IEPF-4 was not matched with number of shares disclosed at BSE under shareholding pattern for the quarter ended 31.03.2021.	The IEPF-4 disclose the total number of shares transferred by the company to IEPF authority whereas, the shareholding pattern states the shares available with the IEPF authority and the difference between these two figures due to sum of shares claimed by the claimant from the IEPF authority.

Further, the Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 15th May, 2021 has appointed M/s. Ajit Jain & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2021-22.

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 2013-14 is required to be transferred to IEPF in the due date as specified in the Notice of the AGM and shares of the respective shares 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 ₹ 1,16,244/- in respect of unpaid/unclaimed dividend declared for the FY 2012-2013 was transferred to the Investor Education and Protection Fund Authority as well as 1,04,939 equity shares of face value of ₹ 1 each, in respect of unpaid/unclaimed dividend declared for FY 2012-2013, was also transferred and credited to the IEPF Authority by the Company during the year ended 31st March, 2021.

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 VOTING AND 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/OVAM 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:

- The Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- Neither the Managing Director nor the Whole-time Directors receive any remuneration or commission from its subsidiary.
- The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.
- 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, 2021, to which the financial statements relate and the date of this

report.

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: 15th May, 2021
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

3. 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.

4. 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.

5. 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

Sl. 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			

6. Average net profit of the company as per section 135(5) – 2,484.26 Lakhs

7. (a) 2% of average net profit of the company as per section 135(5) – 49.70 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

(c) Amount required to be set off for the financial year, if any – NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) – 49.70 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount Unspent (in ₹)		
	Amount.	Date of transfer.	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
			Name of the Fund	Amount.	Date of transfer.
₹ 13.19 Lakhs	-	-	-	-	-

(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 (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(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	25 Lakh	0.00	-	Yes/No	-	-
2.	Health Care etc.	(i)	Yes	M.P.	Indore/Dewas	3 Years	25 Lakh	0.00	-	Yes/No	-	-

(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 (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
							State/District	Name.
1	Promoting Education	(ii) Promoting Education	No	Delhi, UP	50000	No	SOS Childrens Village	-
2	Relief during COVID 19	(i) Promoting Health Care	Yes	Indore, MP	29200	Yes	-	-
3	Relief during COVID 19	(i) Promoting Health Care	Yes	Indore, MP	10220	Yes	-	-
4	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	460368	No	Police welfare society	-
5	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	9936	No	Police welfare society	-
6	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	68369	Direct	-	-
7	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	48198	Direct	-	-
8	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	14000	Direct	-	-
9	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	2720	Direct	-	-
10	Promoting Health Care	(i) Promoting Health Care	Yes	Indore, MP	17797	No	Association of Industries	-

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 (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State/District			Name.	CSR Registration Number
11	Promoting Health Care	(i) Promoting Health Care	Yes	Indore, MP	175343	Direct	-	-
12	Promoting Education	(ii) Promoting Education	Yes	Indore, MP	100000	No	Vidya Bhawan Society	-
13	Promoting Health Care -	(i) Promoting Health Care	Yes	Indore, MP	44982	Direct	-	-
14	Relief during COVID 19	(i) eradicating hunger, poverty and malnutrition	Yes	Indore, MP	20000	Direct	-	-
15	Contribution for research and development projects	(ix) Contribution to incubators or research and development projects	Yes	Indore, M.P.	151000	No	Antar Bharti Biradri	-
16	Promoting Education	(ii) Promoting Education	No	Delhi, UP	56400	No	SOS Childrens Village	-
17	Promoting Education	(ii) Promoting Education	No	Delhi, UP	60000	No	SOS Childrens Village	-
Total					1318533			

(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) – 13.19 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	49.70 Lakhs
(ii)	Total amount spent for the Financial Year	49.70 Lakhs
(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 ₹)	Amount spent in the reporting Financial Year (in ₹).	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. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2017-18	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(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 (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
NOT APPLICABLE								

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).

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 31ST MARCH, 2021.

(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 2020-21.

Sl. No.	Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees (in times)
1	Mr. Shiv Singh Mehta ¹	-
2	Mr. Saurabh Singh Mehta	27.20

- (ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer and Company Secretary in the financial year 2020-21:

Sl. No.	Name of Director /KMPs	Designation	% increase in remuneration
1	Mr. Shiv Singh Mehta ¹	Chairman and Managing Director	-
2	Mr. Saurabh Singh Mehta	Whole-time Director	-
3	Mr. S.C. Jajoo ²	Chief Financial Officer	-
4	Mr. Shashank Belkhede ³	Chief Financial Officer	-
5	Mr. Sachin Upadhyay ⁴	Company Secretary	-
6	Mrs. Swati Tiwari ⁵	Company Secretary	-

¹Mr. Shiv Singh Mehta is also Chairman and Managing Director of the Kriti Industries (India) Limited and draws remuneration over there.

²Mr. S.C. Jajoo ceased w.e.f. 30.10.2020.

³Mr. Shashank Belkhede appointed w.e.f. 01.11.2020.

⁴Mr. Sachin Upadhyay appointed w.e.f. 02.11.2019 and ceased w.e.f. 20.02.2021.

⁵Mrs. Swati Tiwari appointed w.e.f. 24.03.2021.

- (iii) The percentage increase in the median remuneration of employees in the financial year 2020-21 was 8%.
- (iv) There were 260 permanent employees on the rolls of the Company as on 31st March, 2021.
- (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 2020-21 has given in point no. (A) (iii) above.

The increase in the salary of KMPs for Financial Year 2020-21 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. Replacing 09 nos Worm reduction gearboxes by Helical inline.
2. Basis audit report- Replaces Insulation where hot spots identified (approx. saving of 0.5% in annual coal consumption).
3. Procured, Installing 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 utilising alternate sources of energy:

Approx. 17.5 Lacs unit used from solar power by open power supply.

3) Capital investment on energy conservation equipment: Approx 20 Lakhs

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 flowing 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.	No technology imported	2021	NA	NA
2.	No technology imported	2020	NA	NA
3.	Product sizing technology to meet Granulometry of the Product	2019	Yes	NA

Expenditure incurred on Research and Development: -- Approx ₹ 600 Lakhs

C. Foreign Exchange Earning & Outgo (₹ In Lakhs)

S.No.	Particulars	2020-21	2019-20
1.	Foreign Exchange earned in terms of Actual Inflows	9613.79	9369.37
2.	Foreign Exchange spent in terms of Actual Outflows • C.I.F. Value of Import (Raw Material)	285.61	56.40

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 in general.

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 as under:-

Name and Address – Vigilance and Ethics Officer,
Kriti Nutrients Limited
Brilliant Sapphire, 801-804, 8th 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 as under:

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 any time
 - 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 authorised 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 authorised 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

KAUSHAL AGRAWAL & CO.
PRACTISING COMPANY SECRETARIES
218-219, Starlit Tower
29, Y.N. Road,
INDORE M.P. PIN 452001
PHONE (0731) 2432463: 4278756
MOBILE: 94250-55365; 8871110111
Email: kaushalk.agrawal@gmail.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

[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
Corporate Office: 8th floor, Plot no.10, PSP,
IDA Scheme no. 78-II, Vijay Nagar,
Indore (M.P.) 452010

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 subject to limitation of physical Interaction and verification of records caused due to Second Wave of COVID-19 Pandemic thereby local lock down. While taking review after completion of financial year 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 authorised 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 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company generally 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 31st March, 2021, according

to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;(Not Applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable to the Company during the audit period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the audit period)
- (vi). Other laws are applicable specifically to the Company are as under:
- (a) The Environment (Protection) Act, 1986;
 - (b) The water (Prevention and Control of Pollution) Act, 1974;
 - (c) The Air (Prevention and Control of Pollution) Act, 1981;
 - (d) The Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008;
 - (e) Factories Act, 1948;
 - (f) Industrial Dispute Act, 1947;
 - (g) The Payment of Wages Act, 1936;
 - (h) The Minimum Wages Act, 1948;
 - (i) The Employee State Insurance Act, 1948;
 - (j) The Employee Provident Fund and Miscellaneous Provision Act, 1952;
 - (k) The Payment of Bonus Act, 1965;
 - (l) The Payment of Gratuity Act, 1972;
 - (m) The Income Tax Act, 1961;
 - (n) Contract Labour (Regulation and Abolition) Act, 1970;
 - (o) The Industrial Employment (Standing Orders) Act, 1946;
 - (p) The Goods and Service Tax;
 - (q) The Apprentices Act, 1961;
 - (r) Food Safety and Standards Act, 2006

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

1. Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) and applicable mandatorily.
2. Listing Obligations and Disclosure Requirements Regulations, 2015 as amended from time to time.

During the year under review and subject to limiting condition arises due to second wave of COVID-19 Pandemic Note(s) given elsewhere in this report, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, standard etc. mentioned above subject to the following observations:

- i). *Form AOC-2 Forming part of the Board Report disclosing details of transactions etc. entered into with the related parties during the financial year ended March 2020 has not been found as attached with the Boards Report for the financial year ended*

31.03.2020 (Date of Signing 29.06.2020). As per Explanation by the management "there were no material related party transactions and all were in ordinary course of business and at arm's length price basis, hence the company has not required to therefore not attached Form AOC-2 with the Board's report".

- ii). *There was mismatch in amounts of Related party transactions in various transactions held as disclosed in the information / explanation/ details /statement of accounts provided for the Financial Year Ended 31.03.2021 with that of the details of the Related Party Transactions disclosed at BSE pursuant to Regulation 23(9) of SEBI (Listing Obligation and Disclosure Requirement) 2015. The company has been advised to take cognizance and to take appropriate action accordingly.*
- iii). *The company has made belated disclosure for Appointment and Resignation of Chief Financial Officer, (Date of Disclosure at BSE 29.10.2020) required to be disclosed as per Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) 2015. As per Explanation given by the management the disclosure has been made within 48 hrs. instead of 24 hrs. as specified under LODR.*
- iv). *Amount disclosed under the head of "indebtedness" amounting to ₹.326.42 Lakhs shown in Form MGT-9 for the financial year ended 31.03.2020 (enclosed with the Board Report dated 29.06.2020) not matched with of the Audited Financial Statements for the Financial Year ended 31.03.2020.*
- v). *Number of shares transferred to Investor Education and Protection Fund as filled in Form IEPF-4 was not matched with number of shares disclosed under the shareholding pattern at BSE for the quarter ended 31.03.2021.*

Read with 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.

Read with above 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.

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

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

**For Kaushal Agrawal & Co.,
Practicing Company Secretaries**

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

including free movement of People. Therefore, we have not checked Minutes Books, (board and committee etc.) Attendance Registers, and other Statutory Registers as it was not possible to personally visit the registered office of the company. We have relied on the explanation received from the listed entity either telephonically or electronically.

Place: Indore

Dated: - 15.05.2021

UDIN: F004985C000330816

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.

Note: Due to complete Lockdown in the city by administrators for prevention of COVID which has resulted in many restrictions

'Annexure -1'

**KAUSHAL AGRAWAL & CO.
PRACTISING COMPANY SECRETARIES**

218-219, Starlit Tower
29, Y.N. Road,
INDORE M.P. PIN 452001
PHONE (0731) 2432463: 4278756
MOBILE: 94250-55365; 8871110111
Email: kaushalk.agrawal@gmail.com

To,
The Members
Kriti Nutrients Limited

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. However, in the Covid-19 pandemic era, we express our apparent limitations of physical verification of the maintenance of record and cross verification of evidences. (Note)
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. Where ever 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 **Kaushal Agrawal & Co.,
Practising Company Secretaries**

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

Place: Indore
Dated: 15.05.2021
UDIN: F004985C000330816

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The 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 2020-21, the total Board consists of Six (6) directors, out of which Four (4) are Non-Executive Directors including three (3) are Independent Director.

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 08/08/2020	No. of Directorship in other public Companies As on 31.03.2021	No. of Memberships/ Chairmanship Committee of Directors in the Company		Number of shares held in the Company	Relationship of Directors Inter-se
							Member	Chairman		
1.	Mr. Shiv Singh Mehta Chairman and Managing Director (DIN: 00023523)	Promoter Executive	5	5	Yes	2	3	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	5	5	Yes	1	2	4	2,13,809 (0.43%)	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	5	5	Yes	1	0	2	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 08/08/2020	No. of Directorship in other public Companies As on 31.03.2021	No. of Memberships/ Chairmanship Committee of Directors in the Company		Number of shares held in the Company	Relationship of Directors Inter-se
							Member	Chairman		
4.	Mr. Rakesh Kalra Director (DIN: 00780354)	Independent Non-Executive	5	5	Yes	4	1	8	Nil	Not Applicable
5.	CA Manoj Fadnis (DIN: 01087055)	Independent Non-Executive	5	5	Yes	4	3	2	Nil	Not Applicable
6.	Mr. Chandrasekharan Bhaskar (DIN: 00003343)	Independent Non-Executive	5	5	Yes	3	1	3	Nil	Not Applicable

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.

Mrs. Swati Tiwari is Company Secretary & Compliance Officer of the Company as well as functioning as the Secretary of all committees.

During the financial year 2020-21 the Board of Directors met Five (5) times on (i) 29th June, 2020, (ii) 8th August, 2020, (iii) 27th October, 2020, (iv) 22nd January, 2021 and (v) 24th March, 2021.

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:

- i) 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.
- ii) 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 specialised 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 specialised knowledge in relation to Company's business	Yes	Yes	Yes	Yes	Yes	Yes

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has adopted a policy on 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 policy is available on the Company's Website at <https://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) **29th June, 2020**, (ii) **08th August, 2020**, (iii) **27th October, 2020** and (iv) **22nd January, 2021**.
- 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 utilised 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 Cr 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;
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;
6. The Audit Committee is also responsible for giving guidance and directions under the SEBI (PIT) Regulations, 2015; and
7. 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	2
2.	Mr. Rakesh Kalra	Member	2
3.	Mr. Chandrasekharan Bhaskar	Member	1

- All the three members of the remuneration committee are non-executive and independent directors.
- During the year under review, the Committee met twice on

(i) 27th October, 2020 and (ii) 24th March, 2021.

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

- (i) 27th October, 2020, the appointment of Mr. Shashank Belkhede as Chief Financial Officer of the Company w.e.f. 1st November, 2020.
- (ii) 24th March, 2021, the appointment of Mrs. Swati Tiwari as Company Secretary and Compliance Officer of the Company with immediate effect.

The Committee also taken note of Resignation of Mr. Sachin Updhyay from the post of Company Secretary of the Company w.e.f. 20th February, 2021 at the meetings held on 24th March, 2021.

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 - <https://kritinutrients.com/investor-relations/policies/>. The details of the policy are as follows:

DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

The details of Remuneration to Directors during the financial year 2020-21 are as follows:

Sr. No.	Name of the Directors	Designation	Service Contract	Remuneration drawn Amount (₹ 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	NIL	-	-
2.	Mrs. Purnima Mehta	Non-Executive Director	-	-	1.04	-
3.	**Mr. Saurabh Singh Mehta	Whole Time Director	01.08.2019 to 31.07.2022	101.62	-	-
4.	Mr. Rakesh Kalra	Independent Director	01.04.2019 to 31.03.2024	-	1.04	-
5.	CA Manoj Fadnis	Independent Director	01.04.2019 to 31.03.2024	-	1.04	-
7.	Mr. Chandrasekharan Bhaskar	Independent Director	16.05.2019 to 31.03.2024	-	1.00	-

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

** Mr. Saurabh Singh Mehta is proposed to be re-appointed as the Whole-time Director of the Company in the ensuing 25th AGM for a period of 5 years w.e.f. 01.08.2022.

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, 2021, Thirteen (13) 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, 2021.

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 Swati Tiwari 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, 2021 the Committee met once on 8th October, 2020 in which all the members have attended the meeting.

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 24th March, 2021.

CS Swati Tiwari 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;
- details of need and impact assessment, if any, for the projects undertaken by the company; and
- 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 22nd January, 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
2019-20	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)	08th August, 2020	AGM	05:00 PM	Yes (1)	-
2018-19	8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA, Scheme No.78, Part-II, Indore (MP) – 452010	14th August, 2019	AGM	05:00 PM	Yes (2)	-
	4th Floor, Chetak Chambers, 14, RNT Marg, Indore	18th March, 2019	EGM	04:00 PM	Yes (4)	-
2017-2018	4th Floor, Chetak Chambers, 14, RNT Marg, Indore	31st July, 2018	AGM	04:00 PM	-	-

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 (<https://kritinutrients.com>).

Website: The Company's website (<https://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, 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 (<https://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 shareholding pattern, corporate governance report, etc. are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised 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. As a matter of abundant precaution the transactions between the Company 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 - <https://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 2020-21 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 Company continues to adopt best practices in order to ensure unqualified financial statements. The Secretarial Auditor have given certain remarks which are self explanatory itself and needs no further explanations except as stated in Director's Report on which the management have given their comments.

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 ₹ 2.25 Lakhs to M/s R.S. Bansal & Co. for the year ended 31st March, 2021.
8. Company has also annexed a certificate from M/s D.P. Yadav and Associates, 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 31.03.2021.
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. 2876), 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.

2. Annual General Meeting

- | | | |
|----|--|---|
| 1 | Date and Time, Venue | : 7th August, 2021 (through VC/OAVM) for which deemed venue is 8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA, Scheme No. 78-II, Indore (M.P.) 452010 |
| 3. | Book Closure Date | : 1st August, 2021 to 7th August, 2021 (both days inclusive) |
| 4. | Dividend Payment Date | : on or after 12th August, 2021 |
| 5. | Financial Year | : April 1 to March 31 |
| 6. | Financial Calendar for the Year ending | : 31st March, 2022 |

Sr. No.	Particulars	Tentative Date
1.	Unaudited Financial Results for the First Quarter ending 30th June, 2021	On or Before 14th August, 2021
2.	Unaudited Financial Results for the Second Quarter ending 30th September, 2021	On or Before 14th November, 2021
3.	Unaudited Financial Results for the Third Quarter ending 31st December, 2021	On or Before 14th February, 2022
4.	Audited Financial Results for the Fourth Quarter ending 31st March, 2022	On or Before 30th May, 2022
5.	Annual General Meeting for the year ending 31st March, 2022	On or before 30th September, 2022

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 2021-22 have been duly paid to the above Stock Exchange and the trading of the shares being regular during the year under review.
9. Annual Custody / Issuer fee for the year 2021-22 has been paid to CDSL & will be paid to NSDL on receipt of the invoice.

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, 2021 and the declaration to that effect from Chairman and Managing Director is annexed to this report.
3. The compliance Certificate from M/s D.P. Yadav and Associates, 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.

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	Kriti		BSE Sensex	
	Price		Price	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 2020	21.80	15.20	33,887.25	27,500.79
May 2020	21.35	16.15	32,845.48	29,968.45
June 2020	31.90	19.60	35,706.55	32,348.10
July 2020	30.70	24.05	38,617.03	34,927.20
Aug 2020	50.85	28.25	40,010.17	36,911.23
Sep 2020	40.00	30.90	39,359.51	36,495.98
Oct 2020	40.40	31.30	41,048.05	38,410.20
Nov 2020	34.80	29.90	44,825.37	39,334.92
Dec 2020	38.90	29.45	47,896.97	44,118.10
Jan 2021	53.30	36.00	50,184.01	46,160.46
Feb 2021	47.85	40.00	52,516.76	46,433.65
Mar 2021	48.50	36.75	51,821.84	48,236.35

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 ₹ in Lakhs
1.	2019-20	-	18	18	90.19
2.	2018-19	-	18	18	90.19
3.	2017-18	-	18	18	90.19
4.	2016-17	-	12	12	60.12
5.	2015-16	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: ankit_4321@yahoo.com, info@ankitonline.com,
 support@ankitonline.com

13. Distribution of Shareholding as on 31st March, 2021:

Share Holding of Nominal Value of ₹	No. of Shareholders	% of Shareholding
1-1000	16236	89.79
1001-2000	1026	5.67
2001-3000	302	1.67
3001-4000	201	1.11
4001-5000	74	0.41
5001-10000	152	0.84
10001-20000	40	0.22
20001-30000	14	0.08
30001-40000	12	0.07
40001-50000	4	0.02
50001-100000	7	0.04
100000 Above	15	0.08
Total	18083	100.00

14. Dematerialisation of Shares:

4,88,69,040 Equity Shares i.e. 97.54% of the total Equity Shares have been dematerialised up to 31st March, 2021.

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 2020-21,

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, 8th Floor
Plot No. 10, Sch No.78-II, Vijay Nagar
Indore 452001 (M.P.)
Tel: 0731-2719100
Email: cs@kritiindia.com

Corporate Governance Certificate

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

1. I, DP Yadav, Proprietor at D.P Yadav and Associates. Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2021, 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 31st March, 2021.

5.1 *There was mismatch in amounts of Related party transactions in various transactions held as disclosed in the information / explanation/ details /statement of accounts provided for the Financial Year Ended 31.03.2021 with that of the details of the Related Party Transactions disclosed at BSE pursuant to Regulation 23(9) of SEBI (Listing Obligation and Disclosure Requirement) 2015.*

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. In the opinion and to the best of our information and according to explanation given to us, and the representation made by the director and the management and considering the relaxation granted by the Ministry Of Corporate Affairs and Securities And Exchange Board Of India warranted due to the spread of the COVID-19 pandemic (and resultantly note given hereunder), we certify that the company has complied with the conditions of corporate governance as stipulated in the SEBI listing regulation for the year ended on march 31, 2021.

Note:- Due to complete lockdown in the country as notified by the Government of India for prevention of COVID-19 which has resulted in many restrictions including free movement of people, we have not checked Minutes Books, and other relevant records and documents as it was not possible to personally visit the office. Hence, we have relied on the explanations and records made available by the company either telephonically or electronically.

For: D.P. Yadav & Associates.
Practicing Company Secretaries

Proprietor
D.P. Yadav

Date: 15.05.2021
Place: INDORE

ACS 36395 CP 13717
UDIN number A036395C000529503

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.

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.

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-Chambers 34, Siyaganj, Indore MP-452007 (here in after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance

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) 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 31st March, 2021 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.

Date: 15.05.2021
Place: Indore

For: **D.P. Yadav & Associates**
CS D.P. Yadav
MN. 36395
COP N:13717
UDIN : A036395C000355197

Independent Auditor's Report

To,
The Members of,
Kriti Nutrients Limited
Indore

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of Kriti Nutrients Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards

on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 opinion.

Key Audit Matters:

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.

Key Audit Matter	Auditor's Response
<p>Key audit matters</p> <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">Understanding the current status of the litigations/tax assessments;Examining communication received from various Tax Authorities/ Judicial forums and follow up action thereon;Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; andReview 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.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the 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. Based on the work we have performed, we conclude that there is a material statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified 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.

Going Concern

In preparing the financial statements, management and Board of Directors are 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. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs 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.

As part of an audit in accordance with SAs, 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. Under Section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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. 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.

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. 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a 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

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

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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".

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (C) 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, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For: R. S. BANSAL & Co.

Chartered Accountants

Firm's Registration No.: 000939C

(Vijay Bansal)

Partner

Place : Indore

Date: 15.05.2021

Membership No: 075344

ICAI UDIN: 21075344AAAACE5171

Annexure – A to the Auditors' Report

As referred to in our Independent Auditor's Report of even date to the members of Kriti Nutrients Limited for the year ended March 31, 2021

1. Fixed Assets:

- (a) As informed to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The entire records have been maintained on computer system through SAP.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable interval and no significant discrepancies were noticed on such physical verification.
- (c) The land of the company for the factory is on Lease for 99 years since 1984 from Madhya Pradesh Audhyogik Kendra Vikas Nigam (Indore) Limited. The lease agreement is executed in the name of company.

2. Inventory:

- (a) As informed and explained to us the inventory has been physically verified during the year by the management at regular intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information given to us, the company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock.

3. Loans granted:

As per information and explanation given to us, the Company has granted unsecured loans to one company covered in the register maintained under section 189 of the Companies Act, 2013.

- (a) In our opinion the terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the company.
- (b) In the case of the loans granted to the company as listed in the Register maintained under Section 189 of the Act, the borrower has been regular in the repayment of the

principal and payment of interest, wherever stipulated.

- (c) There are no overdue amounts in respect of loans granted to company listed in the Register maintained under Section 189 of the Act.

4. Loan, Investment and Guarantees:

In our opinion and according to the information and explanations give to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. Public Deposit:

According to the information and explanations given to us, the company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

6. Cost Records:

We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained

7. Statutory Dues

- (a) According to the books of accounts and records examined by us according to generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Excise Duty, Goods and Service Tax & Cess which have not been deposited on account of any dispute, except the following :-

S. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates 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
8.	ENTRY TAX	HIGH COURT	2008-09	8.89	4.98
9.	ENTRY TAX	HIGH COURT	2008-09	27.55	12.76
10.	M.P. COMM. TAX	APPELLATE BOARD	2013-14	6.78	1.70
11.	M.P. COMM. TAX	ADDITIONAL COMMISSIONER	2016-17	0.97	0.24
12.	CENTRAL EXCISE	Comm. Appeal Bhopal	2013-14	1.38	0.10
13.	CENTRAL EXCISE	CESTAT New Delhi	2016-17	2.05	0.20

8. Default in repayment of dues to Financial Institutions, Banks, Government or debenture holders:

According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.

9. Utilization of Term Loans and Initial/Further Public offer:

According to information and explanation given to us, the company has not raised money by way of Initial/Further Public Offer and no term loan has been obtained by the company during the year.

10. Fraud Noticed or Recorded:

According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.

11. Managerial Remuneration:

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. Nidhi Company:

In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.

13. Transaction with Related Parties:

According to the information and explanations given to us and based on our examination of the records of the Company,

transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. Preferential Allotment/Private Placement:

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. Non-Cash Transactions:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. Registration with Reserve Bank of India:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For: R. S. BANSAL & Co.

Chartered Accountants

Firm's Registration No.: 000939C

(Vijay Bansal)

Partner

Place : Indore

Date: 15.05.2021

Membership No: 075344

ICAI UDIN: 21075344AAAACE5171

Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting **KRITI NUTRIENTS LIMITED**, ("the Company"), as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Statements

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

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

Inherent Limitations of Internal Financial Controls Over Financial Statements

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: **R. S. BANSAL & Co.**

Chartered Accountants

Firm's Registration No.: 000939C

(Vijay Bansal)

Partner

Place : Indore

Date: 15.05.2021

Membership No: 075344

ICAI UDIN: 21075344AAAACE5171

Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	6	4,352.06	4,477.05
(b) Capital work-in-progress	7	256.57	22.45
(c) Other Intangible assets	8	70.58	84.84
(d) Financial Assets			
(i) Investments	9	1.11	10.43
(ii) Loans	10	1,000.00	800.00
(iii) Other Non Current Assets	11	206.08	113.39
Total Non-current assets		5,886.39	5,508.16
(2) Current assets			
(a) Inventories	12	3,669.92	3,221.91
(b) Financial Assets			
(i) Trade Receivables	13	925.58	2,249.75
(ii) Cash and cash equivalents	14	302.11	1.68
(iii) Bank balances other than (ii) above	15	215.85	205.70
(iv) Loans	16	0.00	400.00
(c) Other Current Assets	17	1,425.08	1,130.89
Total Current assets		6,538.54	7,209.94
Total Assets		12,424.93	12,718.09
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	501.04	501.04
(b) Other Equity	19	9,600.14	8,197.72
Total Equity		10,101.18	8,698.76
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liability	20	255.82	270.63
(b) Deferred tax liabilities (Net)	21	482.78	499.56
(c) Provisions (Gratuity)	22	4.99	0.00
Total Non-current liabilities		743.59	770.19
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	83.17	621.43
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and	24	0.00	0.00
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	722.60	672.51
(iii) Others financial liabilities	25	17.03	16.03
(iv) Lease Liability	20	14.81	11.54
(b) Other current liabilities	26	690.90	1,856.90
(c) Provisions	22	14.47	0.00
(d) Current Tax Liabilities (Net)	27	37.18	70.73
Total Current liabilities		1,580.16	3,249.15
Total Equity and Liabilities		12,424.93	12,718.09

Significant accounting policies

1-5

Other Notes to the accounts

36-52

This is the Balance Sheet referred to in our report of even date

For R.S. Bansal & Company

For and on behalf of the Board of Directors

Chartered Accountants

FRN:000939C

Vijay Bansal

Partner

M.No. 075344

ICAI UDIN: 21075344AAAACE5171

Place: Indore

Date:- 15th May, 2021

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Director

DIN 00023632

Shashank Belkhede

Chief Financial officer

Swati Tiwari

Company Secretary

Statement of Profit & Loss for the year ended March 31, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Income			
	(i) Revenue From Operations	28	69,005.57	52,037.79
	(ii) Other Income	29	245.07	328.48
	Total Revenue (i+ii)		69,250.63	52,366.27
2	Expenses			
	(a) Cost of materials consumed		61,512.02	44,322.78
	(b) Purchases of Stock-in-Trade		516.83	588.00
	(c) Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	(848.96)	(27.27)
	(e) Employee benefits expense	31	1,098.17	1,018.67
	(f) Finance costs	32	93.84	169.76
	(g) Depreciation and amortization expense	33	341.65	304.47
	(h) Other expenses	34	4,508.79	3,764.29
	Total expenses		67,222.34	50,140.70
3	Profit/(loss) before exceptional items and tax (1-2)		2,028.29	2,225.57
4	Exceptional items		0.00	0.00
5	Profit/(loss) before tax (3+4)		2,028.29	2,225.57
6	Tax expense:	35		
	(i) Current tax		539.40	554.54
	(ii) Deferred tax		(16.78)	(229.48)
	Total Tax Expenses(i+ii)		522.62	325.06
7	Net Profit (Loss) after Tax for the year from continuing operations (5-6)		1,505.67	1,900.51
	Net Profit (Loss) for the year from discontinued operations		0.00	0.00
	Tax expenses of discontinued operations :			
	(i) Current tax		0.00	0.00
	(ii) Deferred tax		0.00	0.00
	Total Tax Expenses(i+ii)		0.00	0.00
8	Net Profit (Loss) after tax for the year from discontinued operations		0.00	0.00
9	Net Profit (Loss) after tax for the year (7+8)		1,505.67	1,900.51
10	Other Comprehensive Income (net of tax)			
a	(i) Items that will be reclassified to Profit and Loss			
	Fair Valuation of Investment through OCI		(4.10)	(3.61)
b	(i) Items that will not be reclassified to Profit and Loss			
	Remeasurement of defined benefits plans		(8.94)	(0.64)
11	Total comprehensive Income for the year (9+10)		1,492.63	1,896.26
	Paid up Equity Share Capital (face Value ₹1 Per Share)		501.04	501.04
12	Earning per share of continuing operations (of ₹1/- each)	41		
	(1) Basic		3.01	3.79
	(2) Diluted		3.01	3.79
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		3.01	3.79
	(2) Diluted		3.01	3.79

Significant accounting policies

1-5

Other Notes to the accounts

36-52

This is the Statement of Profit & Loss referred to in our report of even date

For R.S. Bansal & Company

Chartered Accountants

FRN:000939C

For and on behalf of the Board of Directors

Vijay Bansal

Partner

M.No. 075344

ICAI UDIN: 21075344AAAACE5171

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Director

DIN 00023632

Place: Indore

Date:- 15th May, 2021

Shashank Belkhede

Chief Financial officer

Swati Tiwari

Company Secretary

Cash Flow Statement as on March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Amount	Amount	Amount	Amount
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		2,028.29		2,225.57
Adjustments for :				
Depreciation	341.65		304.47	
Expected Credit Loss	8.68		0.00	
Sundry Balance Written Off	0.71		0.00	
(Profit)/ Loss on Sale of Fixed Assets	0.00		20.59	
Financial Income	(245.07)		(134.21)	
Financial Expense	93.84	199.81	169.76	360.62
Cash Operating Profit before working capital changes		2,228.10		2,586.18
Increase / (Decrease) in Trade Payables	50.09		(369.24)	
Increase / (Decrease) in Other Financial Liabilities	(11.54)		2.15	
Increase / (Decrease) in Short term Provisions	14.47		(6.77)	
Increase / (Decrease) in Current Tax Liabilities (Net)	0.00		(38.62)	
Increase / (Decrease) in Other Current Liabilities	(1169.95)		1503.99	
(Increase) / Decrease in Inventories	(448.01)		(510.98)	
(Increase) / Decrease in Trade Receivables	1314.77		(964.38)	
(Increase) / Decrease in Long term Loans & Advances	(200.00)		9.09	
(Increase) / Decrease in Other Financial Assets	(8.61)		0.00	
(Increase) / Decrease in Short term Loans & Advances	400.00		(427.55)	
(Increase) / Decrease in Other Current Assets	(294.19)		45.37	
		(352.97)		(756.94)
Tax Paid		(572.94)		(483.02)
Net Cash From Operating Activities (A)		1,302.19		1,346.22
CASH FLOW FROM INVESTING ACTIVITIES				
Dividend Income	0.00		0.00	
Financial Income	234.80		134.21	
(Profit)/ Loss on Sale of Fixed Assets	0.00		(20.59)	
Purchase of Fixed Assets	(520.60)		(564.47)	
Purchase / Sale of Investment	15.49		3.60	
Decrease Investment in Fixed Deposits having maturity of less than twelve months	(9.16)		(132.43)	
(Increase) / Decrease in Non Current Investment	(0.99)		(2.15)	
Net Cash Used In Investing Activities (B)		(280.45)		(581.83)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	0.00		0.00	
Repayment of Long Term Borrowings	0.00		0.00	
Net Increase / (Decrease) in Long Term Borrowings	0.00		0.00	
Increase / (Decrease) in Other Non Current Liability	0.00		9.79	
Increase / (Decrease) in Short Term Borrowings	(538.27)		(614.13)	
Dividend Paid on Equity Shares	(89.19)		(90.19)	
Dividend Distribution Tax Paid	-		(18.54)	
Financial Expenses	(93.84)		(169.76)	
Net Cash Used In Financing Activities (C)		(721.30)		(882.83)
Net Increase In Cash and Cash Equivalents (A + B + C)		300.43		(118.44)
ADD : Cash and cash equivalents - Opening - 1st April		1.68		120.11
Cash and cash equivalents - Closing - 31st March, 2021		302.11		1.68

Cash Flow Statement as on March 31, 2021

Footnote to Cash Flow Statement:

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

(₹ in Lakhs)

Particulars	2020-21	2019-20
Cash & Cash Equivalent		
Balances with Banks		
Current Account	0.15	0.23
Fixed Deposit having maturity three months or less	300.00	-
Cash on hand	1.96	1.45
Total of Cash & Cash Equivalent	302.11	1.68
Significant accounting policies	1-5	
Other Notes to the accounts	36-52	

This is the Cash Flow Statement referred to in our report of even date

For R.S. Bansal & Company

Chartered Accountants

FRN:000939C

Vijay Bansal

Partner

M.No. 075344

ICAI UDIN: 21075344AAAACE5171

Place: Indore

Date:- 15th May, 2021

For and on behalf of the Board of Directors

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Director

DIN 00023632

Shashank Belkhede

Chief Financial officer

Swati Tiwari

Company Secretary

Statement of Change in Equity for the year ended March 31, 2021

SHARE CAPITAL

Equity Share Capital	(₹ in Lakhs)				
	Balances as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
Paid up Capital	501.04	0.00	501.04	0.00	501.04

OTHER EQUITY

Particulars	Reserves and Surplus				Other Reserves			Total	
	General Reserve	Security Premium	Contingency Reserve	Retained Earnings	Total	Fair Value of Investment through OCI	Actuarial Gain/Loss through OCI		Other Comprehensive Income total
Balances as at 1st April, 2019	1,000.00	295.56	25.00	5,086.42	6,406.98	3.19	-	3.19	6,410.17
Profit for the year				1,900.51	1,900.51				1,900.51
Other Comprehensive Income:				-	-	(3.61)	(0.64)	(4.25)	(4.25)
Final Dividend paid including corporate dividend tax				(108.72)	(108.72)				(108.72)
Transfer to General Reserve	150.00			(150.00)	-				-
Balance as at 31st March, 2020	1,150.00	295.56	25.00	6,728.20	8,198.76	(0.42)	(0.64)	(1.06)	8,197.70
Profit for the year				1,505.67	1,505.67				1,505.67
Other Comprehensive Income:				-	-	(4.10)	(8.94)	(13.04)	(13.04)
Adjustment Of Fair Value of Investment through OCI Earlier year				(3.22)	(3.22)	3.22	-	3.22	-
Final Dividend paid including corporate dividend tax				(90.19)	(90.19)				(90.19)
Transfer to General Reserve	150.00			(150.00)	-				-
Balance as at 31st March, 2021	1,300.00	295.56	25.00	7,990.46	9,611.02	(1.30)	(9.58)	(10.88)	9,600.14

Significant accounting policies 1-5

Other Notes to the accounts 36-52

This is the Statement of changes in Equity referred to in our report of even date

For R.S. Bansal & Company

Chartered Accountants

FRN:000939C

Vijay Bansal

Partner

M.No. 075344

ICAI UDIN: 21075344AAAAACE5171

Place: Indore

Date:- 15th May, 2021

For and on behalf of the Board of Directors

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Director

DIN 00023632

Shashank Belkhe

Chief Financial officer

Swati Tiwari

Company Secretary

Significant accounting policies and notes to the accounts 31.03.2021

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, 2021, together with the comparative period information as at and for the year ended March 31, 2020, 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.
- (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

Significant accounting policies and notes to the accounts 31.03.2021

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.
- (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.

Significant accounting policies and notes to the accounts 31.03.2021

- (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 its 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.

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.

Significant accounting policies and notes to the accounts 31.03.2021

- (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.

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.

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- (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.

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).

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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.

(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.

Significant accounting policies and notes to the accounts 31.03.2021

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 derivate 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.

Significant accounting policies and notes to the accounts 31.03.2021

- (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.

- (b) A liability is current when:

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

All other liabilities are classified as non-current.

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

The company has identified twelve months as its operating cycle.

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'.

Significant accounting policies and notes to the accounts 31.03.2021

NOTE NO - 5 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

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

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

Note No. - 6-7-8 Property Plant & Equipments (2020-21)

(₹ in Lakhs)

Note	Particular	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
6	Property Plant & Equipment										
6.1	Tangible Asset										
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
	Total (6.1)	5,085.50	192.40	-	5,277.90	944.10	287.54	-	1,231.63	4,046.27	4,141.41
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
	Total (6.2)	361.19	-	-	361.19	25.55	29.86	-	55.41	305.79	335.64
	Total 6	5,446.70	192.40	-	5,639.10	969.65	317.39	-	1,287.04	4,352.06	4,477.05
7	Work In Progress										
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
7.3	AUC Office Equipment	-	30.40	30.40	-	-	-	-	-	-	-
	Total (7)	22.45	426.51	192.40	256.57	-	-	-	-	256.57	22.45
8	Other intangible aseets										
8.1	Computer Software	-	-	-	-	-	-	-	-	-	-
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
	Total (8)	164.73	10.00	-	174.73	79.90	24.26	-	104.15	70.58	84.84
	Total	5,633.88	628.91	192.40	6,070.39	1,049.55	341.65	-	1,391.19	4,679.20	4,584.34

Note No. - 6-7-8 Property Plant & Equipments (2019-20)

(₹ in Lakhs)

Note	Particular	Gross Block				DEPRECIATION				Net Block	
		01.04.2019	Additions	Deduction	TOTAL	01.04.2019	For Year	Written back	TOTAL	31.03.2020	31.03.2019
6	Property Plant & Equipment										
6.1	Tangible Asset										
6.1	Land										
6.1.1	Free hold Land	53.59	-	-	53.59	-	-	-	-	53.59	53.59
6.1.2	Building	794.40	207.81	-	1,002.21	120.05	42.89	-	162.93	839.27	674.35
6.1.3	Plant & Equipment	3,686.54	353.62	116.89	3,923.28	559.02	203.20	24.74	737.49	3,185.79	3,127.53
6.1.4	Furniture & Fixture	4.02	47.38	-	51.40	0.21	2.22	-	2.43	48.97	3.81
6.1.5	Vehicles	32.35	0.53	-	32.88	22.55	7.99	-	30.54	2.34	9.80
6.1.6	Office Equipment	18.19	3.96	-	22.14	6.12	4.58	-	10.71	11.44	12.06
	Total (6.1)	4,589.09	613.30	116.89	5,085.50	707.95	260.88	24.74	944.10	4,141.40	3,881.14
6.2	Rou Assets										
6.2.1	Lease hold Land	72.36	-	-	72.36	2.92	0.97	-	3.89	68.47	69.44
6.2.2	Office Building	-	288.83	-	288.83	-	21.66	-	21.66	267.17	-
	Total (6.2)	72.36	288.83	-	361.19	2.92	22.63	-	25.55	335.64	69.44
	Total 6	4,661.45	902.13	116.89	5,446.69	710.87	283.51	24.74	969.65	4,477.04	3,950.58
7	Work In Progress										
7.1	AUC Building	0.85	207.81	207.68	0.98	-	-	-	-	0.98	0.85
7.2	AUC Plant & Equipment	9.69	365.40	353.62	21.47	-	-	-	-	21.47	9.69
7.3	AUC Furniture & Fixture	-	47.38	47.38	-	-	-	-	-	-	-
7.4	AUC Vehicles	-	0.53	0.53	-	-	-	-	-	-	-
7.5	AUC Office Equipment	-	3.96	3.96	-	-	-	-	-	-	-
	Total (7)	10.54	625.08	613.17	22.45	-	-	-	-	22.45	10.54
8	Other intangible aseets										
8.1	Computer Software	133.32	31.41	-	164.73	58.94	20.96	-	79.90	84.84	74.38
	Total (8)	133.32	31.41	-	164.73	58.94	20.96	-	79.90	84.84	74.38
	Total	4,805.31	1,558.62	730.06	5,633.87	769.81	304.47	24.74	1,049.55	4,584.33	4,035.50

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

Note No-9 Investment

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
9.1 Non Trade Investment		
9.1.1 In Equity Instruments - FVTOCI		
9.1.1.1 Quoted		
9.1.1.1.1 I.D.B.I Bank Ltd (2880 Shares of ₹ 10/- each) (Previous Year 2880 Share of ₹ 10/- each)	1.11	0.56
Market Price as on 31.03.2021 ₹ 1.11 lakh (31.03.2020 ₹ 0.56 lakh)		
9.1.1.1.2 Reliance Power LTD (25 shares of ₹ 10/- each) (Previous Year 25 Share of ₹ 10/- each)	0.00	0.00
Market Price as on 31.03.2021 ₹ 0.001 lakh (31.03.2020 ₹ 0.001 lakh)		
9.1.2 In Mutual Fund - FVTOCI		
9.1.2.1 SBI Magnum Equity ESG Fund Regular Growth 0 units (Previous year 50000 units of ₹10/- each)	0.00	9.87
Units as on 31.03.31 - Nil (Previous Year ₹ 9.87 lakh)		
Total	1.11	10.43
Aggregate Cost of Quoted Investment	2.41	7.41
Aggregate Market Value of Investment	1.11	10.43
Aggergate amount of impairment in value of investment	1.30	(3.03)

Note No -10 Loans

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
10.1 Long Term Loan Receivable		
(a) To Related Parties		
10.1.1 Loans Receivables considered good - Secured;	0.00	0.00
10.1.2 Loans Receivables considered good - Unsecured;	1,000.00	800.00
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
Total	1,000.00	800.00

Note No - 11 Other Non Current Assets

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Unsecured considered good		
11.1 Capital Advances	84.08	0.00
11.2 Tenancy Deposit	53.36	39.71
11.3 Security Deposits	68.64	73.68
Total	206.08	113.39

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

Note No -12 Inventories

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
12.1 Raw Material	687.52	1,187.76
12.2 Finished Goods	2,286.43	1,444.43
12.3 Stores and Spares & others	540.71	441.41
12.4 Stock In Transit Finished Goods	155.25	148.31
Total	3,669.92	3,221.91

(Inventory valued at Cost or NRV which ever is lower)

Note No - 13 Trade Receivable

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
13.1 Trade Receivables considered good- Secured	6.01	6.01
13.2 Trade Receivables considered good- Unsecured	945.20	2260.71
13.3 Trade Receivables which have significant increase in Credit Risk; and	11.65	11.65
13.4 Trade Receivables- credit impaired.	0.00	0.00
	962.87	2278.37
Less : Allowance for Expected bad and doubtful debts	37.29	28.62
	925.58	2249.75

Note No - 14 Cash And Cash Equivalents

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
14.1 Cash & Cash Equivalents		
14.1.1 Balances with Banks	0.15	0.23
14.1.2 Fixed deposit	300.00	0.00
14.1.3 Cash on hand	1.96	1.45
Total	302.11	1.68

Note No - 15 Other Bank Balances

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
15.1 Other Bank Balances		
15.1.1 Earmarked Balance for Unclaimed dividend	17.03	16.03
15.1.2 Fixed deposit with banks held as margin money against borrowing (Maturity less than 12 Months)	198.83	189.67
Total	215.85	205.70

Note No - 16 Loans

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
(a) To Related Parties		
16.1 Loans Receivables considered good - Secured;	0.00	0.00
16.2 Loans Receivables considered good - Unsecured;	0.00	400.00
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
Total	0.00	400.00

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

Note No -17 Other Current Assets

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Unsecured, Considered good		
17.1 Sundry Deposits	1.18	6.95
17.2 Central Excise Appeal	0.31	0.31
17.3 Accrued Interest/ Income	562.22	260.67
17.4 Advances recoverable in cash or kind or for value to be received	0.00	0.00
17.4.1 Advances to Suppliers	296.33	547.03
17.4.2 Deposit with Government Authorities	141.85	146.18
17.4.3 Input Claim and utilised Tax Credits	341.26	117.26
17.4.4 Pre Paid Expenses	63.79	41.75
17.4.5 Interest Accrued and Due on Loans	18.15	10.74
Total	1,425.08	1,130.89

Note No -18 Equity Share Capital

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
18.1 AUTHORIZED		
18.1.1 10,00,00,000 Equity Shares of ₹ 1/- each	1,000.00	1,000.00
(Previous Year 10,00,00,000 Equity Shares of ₹ 1/- each)		
18.2 ISSUED, SUBSCRIBED AND PAID UP		
18.2.1 5,01,03,520 equity shares of ₹ 1/- each fully paid up.		
(Previous year 50103520 shares of ₹ 1/- each)		
18.2.2 Reconciliation of shares		
18.2.2.1 Opening Balance of 5,01,03,520 equity shares of ₹ 1/- each (Nos)	5,01,03,520	5,01,03,520
18.2.2.2 Issued during the year	0.00	0.00
18.2.2.3 Closing Balance 5,01,03,520 equity shares of ₹ 1/- each	501.04	501.04
	501.04	501.04

18.3 Rights, Preference and restrictions 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.

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.

Note No -18 Equity Share Capital (contd...)

Particulars	31.3.2021	31.3.2020
18.4 Shareholder holding more than 5% of shares of the company and its percentage		
18.4.1 SAKAM TRADING PRIVATE LIMITED (HOLDING COMPANY)		
No. of Shares	2,60,99,473	2,60,99,473
% of Shares	52.09%	52.09%
18.4.2 CHETAK BUILDERS PRIVATE LIMITED (FELLOW SUBSIDIARY)		
No. of Shares	47,32,751	47,32,751
% of Shares	9.45%	9.45%
18.5 The company during the preceeding five years		
18.5.1 has not allotted shares pursuant to the contract without payment being received in cash;		
18.5.2 has not issued shares by way of bonus shares		
18.5.3 has not bought back any shares		
18.6 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 Statement of Profit & Loss Account

Note No -19 Other Equity

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
19.1 RESERVES		
19.1.1 General Reserve		
19.1.1.1 Opening Balance	1,150.00	1,000.00
19.1.1.2 Add: Transfer from Statement of Profit & Loss	150.00	150.00
19.1.1.3 Closing Balance	1,300.00	1,150.00
19.2 Capital Reserve		
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
19.3 Contingency Reserve(Free Reserve)		
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
19.4 RETAINED EARNINGS		
19.4.1 Statement of Profit & Loss		
19.4.2 Opening Balance	6,728.20	5,086.42
19.4.3 Add Profit & Loss during the year	1,505.67	1,900.51
Less:		
19.4.4 Final Dividend @ ₹ 0.18 Per Share	(90.19)	(90.19)
19.4.5 Corporate Dividend Tax	0.00	(18.54)
19.4.6 Transferred to General Reserve	(150.00)	(150.00)
Balance in Surplus	7,993.68	6,728.20
19.5 Other Reserves		
19.5.1 Opening Balance	(1.06)	3.19
19.5.2 Other Comprehensive Income during the year	(13.04)	(4.25)
19.5.3 Closing Balance	(14.10)	(1.06)
	7,979.59	6,727.14
Total Other Equity	9,600.14	8,197.72

19.6 Brief Description of items of Other Equity are as given under:

19.6.1 General Reserve

The Company has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend.

19.6.2 Capital Reserve

(Arisen due to scheme of arrangement as approved by the Hon'ble High Court of M.P., Indore Bench)

19.6.3 Contingency Reserve(Free Reserve)

Contingency Reserve has been created to meet any known / unknown risk which may occur in future.

19.6.4 Retained Earnings

Amount of retained earnings represents accumulated profit & losses of the Company as on the date of Balance Sheet. Such Profit and Losses are after adjustment of payment of dividend, transfer to any reserve as required by any statute.

19.6.5 Other Reserves

Other reserves represents gain / loss on remeasurrment of equity and debt instruments and remeasurement of defined benefit plans.

Notes Forming Part of the Balance Sheet and Statement of 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	31.3.2021	31.3.2020
20.2 Reconciliation of Lease Liabilities		
Opening Balance as on 01st April	282.17	0.00
Addition during the year	0.00	288.83
Deletions during the year	0.00	0.00
Accredition of Interest	0.00	0.00
Lease Liabilities paid during the year	11.54	6.66
Balance as on 31st March	270.63	282.17
Out of Above		
Current Liability	14.81	11.54
Non Current Laibility	255.82	270.63
20.3 Amounts recognised in Statement of Profit & Loss		
Depreciation on right of use assets	29.86	22.63
Interest Expenses on lease liabilities	29.14	22.75
Expenses relating to short term leases	0.24	2.12
Expenses relating to low value assets lease	4.56	4.56
Variable lease payments	0.00	0.00

Note No-21 Deferred Tax Liability Net

(₹ in Lakhs)		
Particulars	31.3.2021	31.3.2020
21.1 Deferred Tax Liability (Net)	482.78	499.56
Total	482.78	499.56
21.2 Component of Deferred Tax Asset / Laibilities		
Difference on account of Propoerty Plant & Equipment	497.07	499.56
Difference on account of Employee related Payments	(4.90)	0.00
Difference on Provision deductible for tax purpose in future period	(9.39)	0.00
Total Deferred Asset/(Liability) on Timing Difference	482.78	499.56
Closing Balance of Deferred Tax Asset/(Liability)	482.78	499.56
Less: Opening Balance of Deferred Tax Asset/(Liability)	499.56	729.04
Deferred Tax Asset/(Liability) for the year	(16.78)	(229.48)

Note No -22 Provisions

(₹ in Lakhs)		
Particulars	31.3.2021	31.3.2020
22.1 Provision for Employees Benefits (Gratuity)	19.46	0.00
Total	19.46	0.00
Out of Above		
Current Liability	14.47	0.00
Non Current Laibility	4.99	0.00
	19.46	0.00

(Refer NoteNo. 39 for detailed disclosure relating to Employee Benefits)

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

Note No -23 Short Term Borrowings

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
23.1 Loans repayable on Demand		
23.1.1 SECURED		
From banks	83.17	621.43
(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) (6 M MCLR + 0.65% p.a. at monthly rests)		
Total	83.17	621.43

Note No -24 Trade Payables

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
24.1 Trade Payable		
(a) total outstanding dues of micro enterprises and small enterprises and	0.00	0.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	722.60	672.51
Total	722.60	672.51
Unpaid overdue amount due on March 31, 2021 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to ₹ Nil. This disclosure is on the basis of the information available with the company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.		
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, 2021 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		
a) The principal amount remaining unpaid to any supplier at the end of the year	0.00	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
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 Others Financial Liabilities

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
25.1 Unpaid dividends	17.03	16.03
Total	17.03	16.03

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

Note No -26 Other Current Liabilities

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
26.1 Outstanding Expenses	211.10	192.05
26.2 Statutory Liabilities	54.01	58.15
26.3 Customer Credit Balance	284.56	1397.71
26.4 Employees Payable	69.33	142.23
26.5 Provision for Employees Benefits (Bonus)	43.01	37.51
26.6 Security Deposits from Dealers	28.90	29.25
Total	690.90	1856.90

Note No -27 Current Tax Liabilities

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
27.1 Provision of Income Tax (Net of Advance Tax and TDS)	37.18	70.73
Total	37.18	70.73

NOTE NO -28 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
28.1 Sale of Products	68,574.77	51,507.86
28.2 Other operating revenues (DDB & MEIS)	430.80	529.93
Total	69,005.57	52,037.79

Note No -29 Other Income

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
29.1 Interest On FDR	13.43	16.12
29.2 Interest From Related Parties	145.05	112.74
29.3 Interest On Deposit	2.85	4.35
29.4 Interest Others	0.18	0.31
29.5 Government Grant	17.00	0.00
29.6 Other Mis Income	5.46	0.00
29.7 Other Non-operating Income	0.00	0.68
29.8 Profit on Sale of Mutual Funds	10.26	0.00
29.9 Net gain/ loss on foreign currency transactions	50.84	194.27
Total	245.07	328.48

Note No -30 Changes in Inventories of Finished and Semi-Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
30.1 Inventory at The End of Year		
(a) Finished and semi finished goods	2,286.43	1,444.43
(b) Stock-in-Trade	155.25	148.31
	2,441.68	1,592.73
30.2 Inventory at the beginning of the year		
(a) Finished and semi finished goods	1,444.43	1,559.29
(b) Stock-in-Trade	148.31	6.17
	1,592.73	1,565.46
30.3 Increase/(decrease)	(848.95)	(27.27)

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

Note No -31 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
31.1 Salaries & Wages	874.84	756.94
31.1.1 Director Remuneration	101.62	161.63
31.1.2 P.F on Director Remuneration	5.76	4.80
31.2 Contribution to provident and other fund	77.83	76.54
31.3 Staff Welfare Expenses	38.12	18.75
Total	1,098.17	1,018.67

Note No -32 Financial Cost

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
32.1 Interest Expenses	26.68	95.53
32.2 Other Borrowing Cost	38.02	51.48
32.3 Finance Cost Lease	29.14	22.75
Total	93.84	169.76

Note No - 33 Depreciation And Amortization

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
33.1 Depreciation on Property Plant & Equipment	287.54	260.88
33.2 Depreciation on Right of Use Assets	29.86	22.63
33.3 Amortization of Intangible Assets	24.26	20.96
Total	341.65	304.47

Note No -34 Other Expenses

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
(I)		
34.1 Stores and Spares Consumed	305.46	251.96
34.2 Hexane Consumed	186.48	135.60
34.3 Chemicals Consumed	464.12	362.58
34.4 Coal Consumed	661.10	566.56
34.5 Power Charges	625.59	516.49
34.6 Freight & Cartage	196.45	169.96
34.7 Repairs & Maintenance	64.02	94.62
34.8 Insurance Charges	61.57	29.81
34.9 Water Charges	58.35	41.86
34.10 Miscellaneous Manufacturing Expenses	72.11	64.18
Sub Total (I)	2,695.25	2,233.62
(II)		
34.11 Stationery & Printing	19.28	24.23
34.12 Rent, Rates and Taxes	10.06	5.33
34.13 Postage, Telegram and Telephones	5.51	6.70
34.14 Payment to Auditors	2.25	1.95
34.15 Conveyance Expenses	14.90	19.89
34.16 Legal & Professional Charges	92.28	182.74
34.17 Director's Meeting Fee	4.12	2.93
34.18 Miscellaneous Expenses	64.80	47.23
34.19 Loss on Sale of Fixed Assets	0.00	20.59
34.20 Corporate Social Responsibility	49.70	11.00
34.21 S Balances Written Off	0.71	0.00
34.22 Net Loss on foreign currency Transactions	60.63	0.00
Sub Total (II)	324.23	322.59

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

Note No -34 Other Expenses (contd..)

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
(III)		
34.23 Advertisement & Publicity	5.34	2.87
34.24 Sales Promotion Expenses	172.34	135.15
34.25 Brokerage & Commission	10.48	10.80
34.26 Freight Outward	171.16	182.85
34.27 Sales Tax, Octroi & GST Expenses	8.33	3.54
34.28 Export Expenses	1,045.00	764.68
34.29 Provision for Expected Credit Loss	8.68	6.27
34.30 Travelling Expenses	67.98	101.92
Sub Total (III)	1,489.31	1,208.08
TOTAL (I+II+III)	4,508.79	3,764.29
Breakup of Payment to Auditors		
Statutory Audit Fees	1.5	1.5
Tax Audit Fees	0.25	0.25
Certification Charges & Other matters.	0.5	0.2
	2.25	1.95

Note No -35 Tax Expenses

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
35.1 Income tax expenses recognised in Statement of Profit & Loss		
Current Tax Expenses	525.91	554.54
Tax Adjustment for Earlier Years	13.49	0.00
	539.40	554.54
35.2 Reconciliation of estimated income tax to income tax expense		
Profit Before Tax as per P&L	2,028.29	2,225.57
Expected income tax expense at statutory income tax rate of 25.168% (Previous year : 25.168%)	510.48	560.13
Tax Effect of adjustments to reconcile Income Tax Expenses reported		
Income Exempt from Tax	(2.58)	0.00
Long Term Capital Gains / Losses	1.03	0.00
Expenses not deductible in determining Taxable Profit	22.07	5.59
Expenses deducted in determining Taxable Profit	(5.08)	0.00
Total Adjustemnt	15.43	(5.59)
Income Tax Expenses recognised in the Statement of Profit and Loss	525.91	554.54

Note No - 36 Contingent liabilities and Commitments

36.1 Contingent liabilities

36.1.1 Claims against company not acknowledge as debt by the company are as under:

(₹ in Lakhs)

S. No.	Particular	As on 31.03.2021		As on 31.03.2020	
		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	178.95	54.28
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	127.66	13.10	127.66	13.10
4	CENVAT	3.44	0.31	3.44	0.31

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

Note No - 36 Contingent liabilities and Commitments (contd...)

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 ₹ 147.73 Lakhs).

36.2 Commitments		(₹ in Lakhs)	
Particulars	31.3.2021	31.3.2020	
36.2.1 Capital Commitments			
Estimated amount of contracts remaining to be executed on Capital Account	240.51	13.98	

Note No - 37 Remuneration Paid/Payable to Managing Director / Executive Director

		(₹ in Lakhs)	
Paid / Payable	31.3.2021	31.3.2020	
Remuneration	59.76	50.80	
Commission	47.62	115.63	

Note No - 38 Corporate Social Responsibility

		(₹ in Lakhs)	
Paid / Payable	31.3.2021	31.3.2020	
Amount required to be spent	49.70	41.02	
Amount spent during the year	13.19	11.00	
Amount provided as per notification of Ministry of Corporate Affair	36.51	0.00	

The Company has provided the unspent amount for the FY 2020-21 of ₹ 36.51 Lacs as per the notification issued by Ministry of Corporate Affairs dated 22.01.2021. The Company has not provided for the unspent amount of ₹ 76.54 Lacs as at 31.03.2020 based on the advice received.

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	31.3.2021	31.3.2020	
Present value of unfunded obligations	0.00	0.00	
Present value of funded obligations	136.47	110.18	
Fair value of plan assets	(117.01)	(124.05)	
Net Defined Benefit Liability/(Assets)	19.46	(13.87)	

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

Note No - 39 Employee Benefit Obligations (contd..)

(b) Profit and loss account for the period		(₹ in Lakhs)	
Particulars	31.3.2021	31.3.2020	
Service cost:			
Current service cost	11.66	10.00	
Net interest cost	(0.47)	7.14	
Expected Return on Plan Assets	0.00	(8.49)	
Actuarial Gain/Loss	0.00	0.65	
Total included in 'Employee Benefit Expenses/(Income)	11.18	9.30	
(c) Other Comprehensive Income for the period		(₹ in Lakhs)	
Particulars	31.3.2021	31.3.2020	
Components of actuarial gain/losses on obligations:			
Due to experience adjustments	8.24	0.00	
Return on plan assets excluding amounts included in interest income	0.70	0.64	
Amounts recognized in Other Comprehensive (Income) / Expense	8.94	0.64	
(d) Reconciliation of defined benefit obligation		(₹ in Lakhs)	
Particulars	31.3.2021	31.3.2020	
Opening Defined Benefit Obligation	110.18	95.20	
Current service cost	11.66	10.00	
Interest cost	21.28	7.14	
Components of actuarial gain/losses on obligations:			
Due to experience adjustments	8.24	0.64	
Benefit paid from fund	(14.89)	(2.82)	
Closing Defined Benefit Obligation	136.47	110.18	
(e) Reconciliation of plan assets		(₹ in Lakhs)	
Particulars	31.3.2021	31.3.2020	
Opening value of plan assets	124.05	106.93	
Interest Income	7.88	8.49	
Return on plan assets excluding amounts included in interest income	(0.70)	0.00	
Contributions by Employer	0.66	11.45	
Benefits paid	(14.89)	(2.82)	
Closing value of plan assets	117.01	124.05	
(f) Reconciliation of asset Ceiling		(₹ in Lakhs)	
Particulars	31.3.2021	31.3.2020	
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	
Closing value of plan asset ceiling	0.00	0.00	

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

Note No - 39 Employee Benefit Obligations (contd...)

(g) Composition of the plan assets

Particulars	31.3.2021	31.3.2020
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%
Total	100%	100%

(h) Reconciliation of Net Defined Benefit Liability/(Assets) (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Net opening provision in books of accounts	0.00	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)	11.18	9.30
Amounts recognized in Other Comprehensive (Income) / Expense	8.94	0.65
	20.12	9.95
Benefits paid by the Company	0.00	(2.82)
Contributions to plan assets	(0.66)	(11.45)
Closing provision in books of accounts	19.46	0.00

(i) Principle actuarial assumptions

Particulars	31.3.2021	31.3.2020
Discount Rate	6.35% p.a.	7.25% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Withdrawal Rates	10.00% p.a at all ages	--
Rate of Return on Plan Assets	6.35% p.a.	--

(j) Sensitivity to key assumptions

Particulars	31.3.2021
Discount rate Sensitivity	
Increase by 0.5%	1,32,69,823
(% change)	(2.76%)
Decrease by 0.5%	1,40,44,187
(% change)	2.91%
Salary growth rate Sensitivity	
Increase by 0.5%	1,40,00,277
(% change)	2.59%
Decrease by 0.5%	1,33,07,666
(% change)	(2.48%)
Withdrawal rate (W.R.) Sensitivity	
W.R. x 110%	1,36,46,408
(% change)	0.00%
W.R. x 90%	1,36,44,304
(% change)	(0.02%)

Notes Forming Part of the Balance Sheet and Statement of 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 ₹ 17.16 Lacs (year ended 31/03/2020 ₹ 18.18 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 ₹ 17.16 Lacs (year ended 31/03/2020 ₹ 18.18 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 ₹ 16.82 Lacs (year ended 31/03/2020 ₹ 16.17 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

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
(i) Revenue from Operations		
With in India	59,466.96	42,111.08
Outside India	9,538.61	9,926.71
Total	69,005.57	52,037.79
(ii) Non Current Assets		
With in India	5,886.39	5,460.56
Outside India	0.00	0.00
Total	5,886.39	5,460.56

Notes Forming Part of the Balance Sheet and Statement of 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

Particulars	31.3.2021	31.3.2020
Number of Shares	5,01,03,520	5,01,03,520
Profit contribution for Basic EPS (₹ in Lakhs)	1,505.67	1,900.51
Basic Earnings Per Share (₹)	3.01	3.79
Diluted Earning Per Share (₹)	3.01	3.79
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
- Shri Manoj Fadnis, Independent Director
- Shri Chandrasekharan Bhaskar, Independent Director
- Shri Rakesh Kalra, Independent Director
- Shri S.C. Jajoo, Chief Financial Officer (upto 31st Oct 2020)
- Shri Sachin Updhyay, Company Secretary (upto 20th Feb 2021)
- Shri Shashank Belkhede, Chief Financial Officer (from 1st Nov 2020)
- Smt Swati Tiwari, Company Secretary (from 24th March 2021)

(ii) Relatives of Key Management Personnel

- Smt. Purnima Mehta (Wife of Chairman & Managing Director)
- 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

42.2 The details of the related party transactions entered into by the Company

42.2.1 Remuneration to KMP

(₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Shri Saurabh Singh Mehta	101.62	113.81
Shri Shiv Singh Mehta	0.00	47.82
Shri S.C. Jajoo, Chief Financial Officer	16.77	27.73
Shri Sachin Updhyay, Company Secretary	3.22	1.01
Shri Shashank Belkhede, Chief Financial Officer	14.48	0.00
Smt Swasti Tiwari, Company Secretary	0.36	0.00

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

Note no - 42 related party transactions (contd..)

42.2.2 Sales of export scheme incentive License (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	77.87	216.23

42.2.3 Sale of Consumable Items (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	0.00	0.00

42.2.4 Purchase of Consumable Items (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	4.86	9.36

42.2.5 Purchase of Machinery (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Auto & Engineering. Plastics Pvt. Ltd. (Wholly owned subsidiary of Kriti Industries (I) Ltd)	43.26	0.00

42.2.6 Unsecured Loan Given (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	3,400.00	1,200.00

42.2.7 Unsecured Loan Received Back (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	3,600.00	0.00

42.2.8 Interest Received on Loan (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	145.05	112.74

42.2.9 Rent Paid (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Shri Shiv Singh Mehta, Chairman & Managing Director	0.28	0.18

42.2.10 Director Sitting Fees (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Shri Manoj Fadnis, Independent Director	1.04	0.85
Shri Chandrasekharan Bhaskar, Independent Director	1.00	0.60
Shri Rakesh Kalra, Independent Director	1.04	0.63
Smt. Purnima Mehta (Wife of Chairman & Managing Director)	1.04	0.85

42.3 The details of closing Balances of the related party

42.3.1 Remuneration Payable (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Shri Saurabh Singh Mehta, Executive Director	47.62	49.57
Shri Shiv Singh Mehta, Chairman & Managing Director	0.00	33.05
Shri S.C. Jajoo, Chief Financial Officer	0.00	2.31
Shri Sachin Updhyay, Company Secretary	0.05	0.20
Shri Shashank Belkhede, Chief Financial Officer	2.84	0.00
Smt Swati Tiwari, Company Secretary	0.36	0.00

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

Note no - 42 related party transactions (contd...)

42.3.2 Trade Receivable (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	0.05	66.23

42.3.3 Unsecured Loan given (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	1,000.00	1,200.00

42.3.4 Interest Receivable on Loan (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Kriti Industries (I) Ltd. (Fellow Subsidiary.)	16.58	9.67

42.3.5 Current Liabilities (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
Shri Shiv Singh Mehta, Chairman & Managing Director	0.07	-

42.3.6 Rent Deposit (₹ in Lakhs)

Particulars	31.3.2021	31.3.2020
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.

Particulars	31.3.2021	31.3.2020
Interest Bearing Loans and Borrowings	0.00	0.00
Current maturities of Long Term debts	0.00	0.00
Gross Debt	0.00	0.00
Less: Cash and Cash Equivalents	302.11	1.68
Net Debt(A)	0.00	0.00
Total Equity (as per Balance Sheet) (B)	10,101.18	8,698.76
Net Gearing (A/B)	0.00	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.

(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.

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

Note No - 43 Capital Management (contd...)

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2021 would have been decreased/ increased by ₹ 2.94 Lakhs (Previous year ₹ 9.72 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)

Particular	31.03.2021		31.03.2020	
	Amortised Cost	FVTOCI	Amortised Cost	FVTOCI
Financial Assets:				
(i) Investments		1.11		10.43
(ii) Loans	1,000.00		800.00	
(iii) Trade Receivables	925.58		2,249.75	
(iv) Cash and cash equivalents	302.11		1.68	
(v) Bank balances other than above	215.85		205.70	
Financial Liabilities:				
(i) Lease Liability	270.63		282.17	
(ii) Other Financial Non Current Liabilities				
(iii) Borrowings	83.17		621.43	
(iv) Trade payables	722.60		672.51	
(v) Others financial liabilities	17.03		16.03	

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:

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

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

Note No - 44 Financial Instruments (contd...)

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	31.3.2021	31.3.2020
(i) Investments		
Investment in mutual funds	0.00	9.87
Investment in equity shares	1.11	0.56

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	31.03.2021	31.3.2020
Kriti Industries India Limited	Fellow Subsidiary	Loan	1,000.00	1,200.00

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

Name of Company	As at 31.03.2021	Maximum Outstanding during 20-21	As at 31.03.2020	Maximum Outstanding during 19-20
Kriti Industries India Limited	1,000.00	2,400.00	1,200.00	1,200.00

NOTE NO - 46

The amount of Foreign Exchange gain/ (loss) included in the statement of profit & loss account is ₹ 50.84 Lakhs (Previous Year gain/ (loss) ₹ 194.27 Lakhs).

NOTE NO - 47

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 ₹ 245.17 lakhs on such derivative contracts have been adjusted against the raw material consumption.

NOTE NO - 48 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 ₹ 90,18,634 /- for the financial year 2020-21, which is based on relevant share capital as on March 31, 2021. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

NOTE NO - 49 Estimation of uncertainties relating to global health pandemic COVID-19

Continuing Spread of COVID-19 has affected the economic activity across the Globe including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenges 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 the Balance Sheet date. However the company will closely monitor any material changes to future economic conditions impacting its business.

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

NOTE NO - 50

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.

NOTE NO - 51

Figures for the previous year have been regrouped / reclassified, wherever necessary, to confirm to the current year's presentation.

NOTE NO - 52

The financial statements are approved for issue by the Board of Directors in their meeting held on 15.05.2021.

This is as per our report of even date

For R.S. Bansal & Company

Chartered Accountants

FRN:000939C

Vijay Bansal

Partner

M.No. 075344

ICAI UDIN: 21075344AAAACE5171

Place: Indore

Date:- 15th May, 2021

For and on behalf of the Board of Directors

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Shashank Belkhede

Chief Financial officer

Purnima Mehta

Director

DIN 00023632

Swati Tiwari

Company Secretary

Corporate Information

Board of Directors

Shri Shiv Singh Mehta
Chairman & Managing Director

Smt. Purnima Mehta
Director

Shri Saurabh Singh Mehta
Executive Director

Shri Rakesh Kalra
Independent Director

CA Manoj Fadnis
Independent Director

Shri Bhuvanesh Prabhakar Shastri
Independent Director (ceased w.e.f 20.04.2019)

Shri Chandrasekharan Bhaskar
*Independent Director
(Additional Director appointed w.e.f 16.05.2019)*

Auditors

R.S Bansal & Co.
Chartered Accountants
"Urwashi" 1st Floor, 3 Jaora Compound
Indore – 452 001 (M.P.)

Bankers

State Bank of India
HDFC Bank Ltd.

Company Secretary

CS Swati Tiwari

Registered Office

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

Corporate Support Center

Brilliant Sapphire, 801-804,
8th 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.)